

Tulane Studies in Political Science

VOLUME VII

Government and Politics of Uruguay

by

PHILIP B. TAYLOR, JR.
Department of Political Science
Tulane University



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PREFACE

The condition of Uruguay in 1960, and the attitude of intelligent Uruguayans about it, was summed up by the remark of a faculty member of the University of Montevideo. He likened me to a medical consultant who examines a patient and remarks to the doctor in charge, "what a divine cancer!" The condition of the country is certainly not terminal at this time, but it is serious. This book is written in a context of friendly but critical concern, for the dedicatory comment of a former writer on the country must still stand as richly deserved, "To the Uruguayans, good neighbors as much personally as rhetorically."¹

Uruguay is a wholesome and progressive society, when compared with most of its neighbors in the western hemisphere. Specialists on Latin America often have remarked this.² It has known high standards of public and political morality in both absolute and relative terms. The casual visitor finds that if the country is somewhat provincial, it is scarcely bitter and introverted; if it is nationalist, it is not oppressive or posturing. Its goals generally have been modest, and its picture of itself has been intelligent and a little wry. The pursuit of happiness is a national desideratum.

Uruguay is a thoroughly social-democratic country. It has dedicated a very large proportion of its national wealth in the past fifty years to the improvement of living levels for the lower-class members of the population. As a result, the distribution of the wealth of the country has been so extensive as nearly to outrun the productivity of the economy. At the same time, State monopolies or quasi-monopolies control a broad sector of the economy. Private property is secure, and high profits can be earned in certain lines, but conservative or even antiquated standards prevail in regard to many business practices, and therefore preclude expansion even within the possibilities of the country. It would be easy for the dogmatist to allege, as is so often done, that the real trouble with the country is that it is socialist. This would ignore completely, however, that the country embarked upon socialism because it would accelerate the achievement of economic equality, and thus make political democracy a reality for many of its people.

The country's very liberal election system supports and furthers an already-existing air of complete political freedom. The confusing variety of political labels embodies operational names for interests or personal followings, most of which are small, taken individually, but which are cumulatively able to direct and restrict the legal policy makers. The product of their joint action is complexity and confusion, and great reluctance ever to make firm or irreversible decisions. Uruguayans warn the observer that he should not underestimate the complexity of their politics. The point is well-taken. Politics seems, in fact, to be the baroque product of sophisticated people without enough to occupy their time. It is evidenced in a pattern of deferred administrative actions and inefficiency throughout the government.

Beneath the facade is hard reality, however. The society is not by any means primitive, although it is far from balanced, economically. The interests have genuine cause for existence, and the long-term concern of

the government in promoting individual dignity has been repaid by a proliferation of organizations representing them. Administrators are generally untrained and pay little attention to the desirability of professional training or organization. At this time, the joint pressures of inflation and the peculiar know-nothingism of Castro are imposing new directions and weightings to the factors in this melange, and the future is somewhat dim.

This study of Uruguay is intended to be little more than monographic. There are few comparative references to other countries. Description and analysis of political phenomena are intended to be as broad and deep as time and energy permit, since there can be no proper basis laid for political interpretation without some awareness of economic and social fact. Yet in many respects, this examination can scarcely skim the surface, for no system such as this can be encompassed in a single volume. Much supporting and illustrative material has been relegated deliberately to the footnotes, so that it will not intrude on the presentation of the thread of the study itself. The reader concerned with further research or the explanatory details will find many implicit suggestions for both topics and bibliography.

Acknowledgements are difficult to make, for there are so many persons to whom gratitude should be expressed. The field research for this book was begun in 1949-1950, at the time I received a joint grant from the University of California Graduate School and the United States Office of Education in order to prepare a dissertation in Uruguay. After this time research continued with the assistance of the University of Michigan. A second trip to Uruguay, in 1960, was made under the auspices of the Rockefeller Foundation and Tulane University. In both trips, Uruguayan, English and North American friends encouraged, informed, and tolerated me. Perhaps the firmest of them all, in point of time and support, have been Mr. Guillermo Costa Valles, of the Banco Hipotecário, and his wife who is a Principal of a primary school. Well over two hundred persons, in both private and governmental walks of life, responded generously to my questions, gave or loaned me documentary materials, and offered me hospitality. Some of them are mentioned by name in specific footnote references. Many cannot be mentioned, for obvious reasons.

Of specific help in the preparation of this study have been Miss Julia Viera, a student of the Law School of the University of Montevideo, whose work as research assistant was invaluable; and Mrs. Thelma Williams, of the staff of Newcomb College, who prepared most of the manuscript for publication. None of these many people is responsible in any sense for the views or conclusions which I have stated, nor for the errors which doubtless have been written into the manuscript. Time and further inquiry must suffice for the uncovering of these latter.

The last word, and thus perhaps the most to be noted, properly is for my family. It has been said that a book is a hard mistress; they have stood up well under the divided loyalty.

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July, 1961

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**Government and Politics
of Uruguay**

CHAPTER I

URUGUAY'S INDEPENDENCE AND THE FIRST HUNDRED YEARS

The first hundred years of independent government in Uruguay produced the patterns by which the country lives today. To an extent unmatched in any larger countries, or even by most other Latin American countries, the people of Uruguay explored the physical, intellectual, and social resources of their small corner of the earth and determined, almost irrevocably, the future uses and disposition which would be made of them. The leap from the status of colony to sophisticated socialism, with all that this implies for the creation of a differentiated and highly developed political order, produced what seems, from the vantage point of 1961, to be an effete and almost hedonistic society.

It has been said that much of this change occurred under José Batlle y Ordóñez' control of the country's political system. At best, this is a part-truth. The groundwork for many of the solutions was laid before his entry into active political life. The assault which he mounted on the old traditional and colonially-based social patterns which he found on this entry actually only took root in the cities, and so exaggerated the rural-urban split which had existed for decades. This fact, and the peculiarly complex system for dividing the spoils of office, constitute the bases for the present problems confronting Uruguay.

The Independence of Uruguay

Uruguay's independence came about as the product of three forces: regionalism within the Spanish colonies of the Río de la Plata; Portuguese-Brazilian ambition to control the area now occupied by Uruguay; and British insistence that peaceful solutions to this conflict in the long run would be better for all concerned. There are today Uruguayans who feel that the partitioning off of what was once a single province of a potentially greater state into a separate country was an error that condemns them to unimportance.¹ Yet the three forces possessed a logic which could have been satisfied only by that independence. Measured against the comparative histories of the two countries, the results for Uruguay have not been entirely bad.

José Gervasio Artigas symbolized for his time, as for the present, the force of regionalism. He took the first steps toward independence, and succeeded briefly in 1815.² Ironically, he had sought the creation of a loose federation of the various Argentine provinces, within which the *Banda Oriental*³ might collaborate peacefully with Buenos Aires. This is the meaning of the remarkable *Instrucciones del año XIII*, which mimicked several of the constitutional documents of the British colonies, and later the United States of America.⁴ The leaders of Buenos Aires would not permit this, however, and in the two-year period which followed, the precedents for independence were confirmed.

The ambition of Portugal, and of its successor state in the South American continent, Brazil, to control the area of the Banda Oriental, entered most forcefully in 1816. Portugal's desires had never been a mystery. Much of the already complex political intriguing of the later colonial period had been clouded by the knowledge that outside forces were waiting to take advantage of Spanish-*criollo* dissention. The Portuguese had established the town of Colonia do Sacramento in the Banda Oriental in 1680. Spanish diplomacy never had been equal to the task of dislodging them; lost wars nullified successful negotiations. Only after the Portuguese also had established a small fort at Montevideo in 1723, had Spaniards in Buenos Aires taken effective countermeasures, so that the future capital of Uruguay became a Spanish town.⁵ Briefly, from 1810 to 1812, the Portuguese had been invited by the Spaniards, who were their allies for the moment, to send troops in a vain effort to maintain Spanish control of the area. Ousting these forces had not been easy, and had required the full support of British diplomats in Rio de Janeiro.⁶

The Portuguese re-entry in 1816 was sheer opportunism, coming at a time when the Spanish-speaking groups were deeply divided. The Buenos Aires government had been unable to defeat Artigas and the federalist provinces of the north which had allied themselves with him. The *porteño*⁷ government therefore intrigued for Portuguese conquest of the Banda Oriental, in the expectation that the area might later be given up. The occupation was completed substantially by 1818, and Artigas was forced into exile in Paraguay in 1820. The government of the dictator Francia never permitted his return to his native land.⁸ In 1841, he was offered the freedom to return, but he feared involvement in the bitter civil wars then sweeping Uruguay, and he did not accept.⁹

In the meantime, Portuguese control of the Banda Oriental remained comparatively firm until 1825. In July, 1821, a partially rigged congress voted to integrate the territory with Brazil.¹⁰ In April, 1825, however, Juan Antonio Lavalleja, a former lieutenant of Artigas who retained great prestige in the area, returned with a small group to reopen the struggle.¹¹ Brazil and Buenos Aires were both eventually pulled in, and both committed all their available forces to the fight. The final result was a draw. In 1826, the British, whose interest had not flagged, made their position clear by assigning Lord John Ponsonby to act as principal diplomatic agent in the area. Ponsonby's mediation, coupled with the progressive exhaustion of both governments, resulted in the decision in August, 1828, to give to the Banda Oriental, the independence which had become the goal of its leaders.¹² The impotence of the Brazilians was demonstrated during the following December by an impressive series of victories in Brazilian territory by Uruguayan General Fructuoso Rivera.¹³

The country's independence was confirmed by the constitution of 1830, and the peace treaty of 1828 obliged both signatories to guarantee the document for five years.¹⁴ There was no British guarantee extended, however. The British government gauged the situation as self-policing, as indeed it was, and Uruguayan independence since that time has been supported in large part by the balance of power in the Platine area.

The facts of independence and of a balanced power situation could not guarantee internal peace for Uruguay, however, for both former combatants now sought to control the new nation. Before Ponsonby left the area in 1829, it had been demonstrated already that personalisms would combine with those outside ambitions to produce political difficulties.¹⁵ These were to be nearly continuous until the end of the 19th century. As late as 1897, a President of the Republic, Juan Idiarte Borda, was assassinated.¹⁶ As could be expected, both Argentina and Brazil employed the contending factions in Uruguay as their tools for intervention throughout the century. It was not until the death of the last great Blanco caudillo, Luis Alberto de Herrera, in 1959, that there could be hope that this variety of political depravity would not, at least, emanate from the little country's immediate neighbors.¹⁷ When Uruguayans could agree among themselves regarding both constitutional and internal political questions, domestic peace came to the country. This was achieved in large part during a period of some twenty years, beginning with the civilian presidency of Julio Herrera y Obes in 1890, and ending with the second assumption of the presidency by José Batlle y Ordóñez in 1911.

The constitutional principles of the nineteenth century. Las Instrucciones del Año XIII

All evidence seems to support the contention that José Artigas' principal initial inclination was toward the establishment of a federal state from the Spanish-speaking colonies of the Río de la Plata.¹⁹ It was therefore consistent with this position to attempt to influence the congress which met in the Banda Oriental on April 5, 1813, in response to a request by the Constituent Assembly of the United Provinces then meeting in Buenos Aires. Artigas had been voted the title of *Jefe de los Orientales*, Chief of the Orientals, by a prior congress, at the Quinta de la Paraguya in October 1811. He presided at the meeting.²⁰ His speech at the opening meeting stated his own position as well as that of the centralist group in charge in Buenos Aires, and also charted the problems confronting the Banda Oriental.²¹ Delegates to the Buenos Aires Assembly were designated, and on April 13th, the congress adopted a set of Instructions to these delegates. Artigas signed and took responsibility for them, although one author observes, "... exactly what part he played in their production, and what part the other members, are matters of conjecture."²²

The Instructions demand a firm declaration of the independence of the United Provinces from Spain (§1), and state that "no other system than that of Confederation . . ." will be acceptable as an organizational structure. (§2). They declare that the eastern province shall retain all sovereign powers not expressly delegated to the confederal government (§11), and that the central government shall have jurisdiction "only in the general affairs of the State" (§7). They preclude any tariffs or other charges on inter-provincial trade (§14). They state that the Banda Oriental shall have its own provincial constitution, and shall have the right to indicate its adherence to a confederal constitution for the United Provinces (§16). They empower the Banda Oriental to have its own militia (§17). The Instructions therefore established a system with a high degree of provincial autonomy. The animosity toward Buenos Aires was indicated by Instruc-

tion §19: "... clearly and indispensably the seat of the Government of the United Provinces shall be outside of Buenos Aires." It is evident from the circumstances of the period, and from the statements of Artigas and other leaders, that the closer ties of federation, rather than of confederation, were actually sought. The observer is struck, generally, by the imprecision of the use of the word "confederation".

Artigas' intent to maintain personal liberties was indicated by several provisions. §3 states, "civil and religious liberty shall be promoted in all their imaginable degrees", and §4 states, as the premise for provincial self-government, "Since the object and end of the Government shall be to preserve the equality, liberty and security of the citizens and of the People . . ."

The principles of limited government were also declared by several provisions. §18 declared, "Military despotism necessarily shall be wiped out by constitutional restraints which assure the inviolable sovereignty of the people". Both the federal and provincial governments would contain legislative, executive, and judicial branches (§5), each branch with independent faculties (§6). The constitution would guarantee to all the provinces a "republican form of government, and assure each one of them against domestic violence, usurpation of their rights, liberty and security . . . and . . . preserve to each Province the advantages of liberty, and maintain a pious, just, moderate, industrious, and free government" (§20).²³

The call to election of delegates by the Buenos Aires Assembly, on September 24, 1812, had provided that the delegates would be uninstructed. This was only a procedural block against Artigas and the views which he was known to hold. The result was that the Oriental delegates' credentials were rejected by the Assembly,²⁴ and a second congress was elected. This was managed by General José Rondeau, who was Buenos Aires' field commander in the Banda Oriental. The new group met on December 8, 1813; free of Artigas' influence, the result was quite different.²⁵ Unitarian partisans elected the delegates to the Assembly, and the Instructions became in large part only an example of wishful thinking.

The Instructions were an early statement of principles, however. They reflected current French thought regarding individual liberties as well as the constitutional documents of the British North American colonies and of the United States. They cannot be regarded as unique, for, in varying degrees, these ideas had already appeared in the American colonies of the Iberian colonies as independence movements developed. Yet their continuing influence in Uruguayan thought is evident, as will be seen.

The constitutional principles of the nineteenth century. The Constitution of 1830

The failure of Uruguay to obtain its own government until after the British intervention in 1828 did not cause loss of enthusiasm for the principles stated in the Instructions. Some gain in sophistication regarding governmental organization was indicated in the 1830 constitution, however.

The President of the Republic was to be elected by the General Assembly, in joint session, every four years on the March 1st following the As-

sembly's election.²⁶ He was responsible for internal peace and external security, and therefore was commander of the armed forces.²⁷ He appointed and removed officers of the armed forces, civil employees, and envoys to foreign countries; in some instances, confirmation by the Senate was required. He could conclude treaties, subject to Assembly approval. He could take emergency steps to assure security and domestic peace "in grave and unforeseen cases of external attack or internal commotion", but had to report these steps immediately to the Assembly or to the permanent commission of the Assembly if the parent body was in recess. His emergency actions could be nullified by legislative resolution.²⁸ He was obliged to see that elections were held at the times stated in the constitution, and could not suspend them without Assembly authorization.²⁹

The President therefore held significant executive powers, but none which, in themselves, necessarily made him a dictator. His relationships with the Assembly were indicated in some detail. The Constitutional Convention which met in 1828-1829 was convinced that it had created a document in which the executive branch would be subordinated to the legislature. Artigas had remarked to the Congress of April, 1813, "My authority springs from you, and it ceases in virtue of your sovereign presence". The reporting member of the drafting committee of the Convention had stated the belief and desire of the group that the President of the Republic should be held accountable by the legislature, in the spirit of Artigas' statement.³⁰

The President was designated as administrative chief of the country. He was to be responsible for publication and enforcement of the laws, and for the preparation and administration of the annual budget and for reporting accounts to the Assembly.³¹ He had the right of legislative initiative. He could promulgate or veto bills sent to him by the Assembly.³² He was obligated to convoke Assembly sessions at the times indicated by the constitution,³³ and to render a report on the military and political condition of the country. He was charged with suggesting to the opening meeting of each annual session any measures he considered necessary for the improvement of this condition. His failure to convoke a session could not prevent it from opening, however.³⁴

The constitution therefore established only minor variations in the presidential pattern adopted in the United States. The President's power to adopt special measures in emergencies was balanced, in theory, by the ability of the legislature to annul them. The requirement that he report annually regarding the previous year's expenditures was only the detailing of a requirement implicit in any system of responsible government. Unfortunately, there were far too many Presidents who did not desire to govern within the constitutional limitations. Many years were to pass before those in power became disposed to respect these limits.³⁵

Uruguay was disturbed during most of the 19th century by civil or international wars. Some writers argue that nearly all of these grew out of lust for personal power, and the point is not unfounded.³⁶ Since the President was elected by the Assembly, there was no compulsion to appeal to the general public.³⁷ Further, once the President had been elected, he was under no obligation to subordinate himself to the Assembly, but rather

was free to decide for himself what he considered to be in the public interest. Political party programs *could* limit his freedom of action, "But in the first stages of our constitutional life, parties were not characterized . . . by precise [definition] of their programs." The President was regarded as chief policy maker. He was legally free to appoint and remove his Ministers at will. Although they were responsible to the Assembly,³⁸ the President did not share his Ministers' responsibility except in case of impeachment.³⁹

This apparent freedom from constitutional responsibility was accentuated by political circumstances. The two factors tended to frustrate the sporadic efforts by the Assembly to check the President. Impeachment was never voted against the President. It was voted once against a Finance Minister, but the Senate did not vote to convict.⁴⁰ Article 82 of the constitution established the President's responsibility to report annually on government expenditures, but it was seldom employed after 1834 to check disbursements.⁴¹ This writer knows of no evidence to indicate that emergency measures by the President ever were nullified or seriously challenged by the Assembly.

The chambers of the Assembly did develop the custom of interpellation of the President's Ministers, however. Article 53 of the constitution stated that the chambers could bid the Ministers come to report on "appropriate" matters. The first legislative demand had occurred in 1826, before independence had been achieved by the provincial government of the Banda Oriental.⁴² Further, it had been customary, even in the colonial period, for the Viceroys or their Ministers, and Provincial Governors, to discuss legislation with their Audiencias (Provincial Legislatures) or Cabildos (Town Councils) respectively.⁴³ Among members of the Assembly, therefore, the theory of legislative supremacy took early root. In 1836, Ramón Massini, a deputy who had been a member of the 1830 constitutional convention, said that one of the Assembly's jobs should be that of punishing Ministers by means of votes of lack of approval, should they undertake actions or policies contrary to the Assembly's wishes. Within a few years, the theory had been developed to the extent that parliamentary debates occurred in which opponents of the theory attempted to redress the balance.⁴⁴

During the *Guerra Grande* (1839-1852), the "Great War" in which Uruguay, Brazil, and Argentina, and at points Great Britain, France, and even the United States were involved, the Assembly interfered forcefully with the conduct of the war by the President, in an effort to establish binding precedents.⁴⁵ In a period of serious unrest on the part of rural *caudillos* in 1874 and 1875, the Assembly's insatiable demands for ministerial appearances hamstrung an able and apparently sincere President José Ellauri, and rendered him unable to prevent the *coup d'état* of January 15, 1875. Finally, in June, 1888, Dr. Duvimioso Terra, then Minister of Justice, Culture and Public Instruction, resigned under fire in the Chamber of Representatives. President Máximo Tajes did not withdraw his confidence from Terra, but the latter had been in difficulty over construction of school buildings. This was the first such instance of resignation coincident with parliamentary attack.⁴⁶

President Tajes attempted to offset the Terra experience by rejecting out of hand the Representatives' demand for an appearance by his Minister

of War. The Minister of Government, Julio Herrera y Obes, counter-attacked with the argument that the Assembly had no right to question executive policy at all, other than to ask information about it. For the balance of the Tajes government (1886-1890), there were no further conclusive developments.⁴⁷ Yet the Assembly felt encouraged by the Terra "precedent", and succeeding governments confronted repeated parliamentary demands for information and resignations.

Commenting on these developments, Dr. Justino Jiménez de Aréchaga concludes that there was support for the establishment of a parliamentary relationship. The constitutional provisions creating a presidential form were at best rather battered.⁴⁸ Dr. Pablo Blanco Acevedo concluded that in the absence of a constitutional provision for interpellation and censure, the Assembly's position was doubtful; he cited the argument of the elder Dr. Justino E. Jiménez de Aréchaga that since censure was not provided for, it could not be permitted.⁴⁹ Blanco Acevedo concluded, however, that it would have been foolish to expect the Assembly to receive unsatisfactory reports without some reaction. Interpellations had special value when so many Presidents tended to ignore the constitution.⁵⁰

The political parties, the "pact of the parties", and constitutional change

The rise of effective parties changed the conditions of the competition between the executive and legislative branches. The decade of military dictatorship by Lorenzo Latorre, Máximo Santos, and Francisco Antonio Vidal (1876-1886), coming on the heels of some 50 years torn by civil war and extra-constitutional plays for power, brought about a new determination on the part of all leaders of political factions to join in the establishment of a system which would reflect the true characteristics of the country and offer a means for holding officeholders to some minimum level of responsibility.

Under Máximo Tajes (1886-1890), party organizations *per se* began to acquire meaning.⁵¹ Julio Herrera y Obes (1890-1894) was not only the first civilian to serve out his term of office in many years, but he was able also to establish and maintain a parliamentary majority. Juan Idiarte Borda (1894-1897) inherited this parliamentary control, but abused it seriously, was abandoned by his own partisans, and was eventually assassinated in a substantially popular and bipartisan revolt.⁵² Juan Lindolfo Cuestas succeeded to the presidency in 1897, and was confirmed in that position until 1903. The modern period of Uruguayan politics began with the election of José Batlle y Ordóñez in 1903.⁵³

The peaceful trend toward meaningful parties and civilian government was accompanied by a unique development. This Uruguayan contribution to political practice was the "pact of the parties". It found continuing organized groups, rather than individual caudillos, concluding agreements among themselves which would permit the country to exist in peace for a period of time. The government as such did not enter as a party to these agreements.

The first agreement—virtually a treaty—between the parties concluded in 1851 between the Blancos, headed by General Manuel Oribe, and the

Colorados, led by Fructuoso Rivera, was a condition for the ending of the Guerra Grande.⁵⁴ In large part, this was a *modus vivendi* concerning the settlement of political issues; it permitted the resumption of domestic unity and peace, so that Uruguayans could present a united front to outside influences. A second agreement, in 1872, following a civil war, gave the Blancos control of four Departments, or territorial subdivisions of the country.⁵⁵ During the preceding period, the heavy flow of European immigrants, and their settlement, largely in the Departments fronting on the river, had changed the demographic appearance of the country.⁵⁶ A third period of chaos, involving the assassination of President Idiarte Borda in 1897, resulted in an agreement to broaden the Blancos' control to six Departments.⁵⁷ These arrangements, which have been likened by some Uruguayans to the Missouri compromise in the United States, came to an end after the civil war of 1904, when the government, controlled by the Colorado party, was able for the first time to achieve a clear battlefield victory.⁵⁸ Since that time, the institution of the pact has facilitated coexistence on a basis of division of the prerequisites of power.

The pacts of the parties had had several objects, other than the mere preservation of the Blancos as a group which wished to live to fight again another day. Uruguay had then, and retains, a fundamentally unitary State structure. The Blancos therefore were concerned with retaining control of all nationally-appointed local officials in their territories of greater influence. Although the Blancos had insufficient voting strength to win national office, they also wished to control national legislative members from their Departments. Additionally, the pacts of 1872 and 1897 contained provisions which would permit more Blancos to be elected in the other Departments. The 1897 agreement also provided that the already partially autonomous Departmental "Administrative and Economic Juntas", which were virtually local legislatures, should be elected.⁵⁹ This latter development set the precedent for Departmental autonomy at so high a level as to establish grounds for arguing that Uruguay is, in fact, something less than federal, but more decentralized than is the case in most unitary States.

The Blancos' bid for territorial control was intended to protect their control of Departments in which the large cattle ranch was the typical form of land tenure. The party's attitude was indicated by Alberto Zum Felde's observation:

A Blanco congress, convened after 1904, in order to adopt policies and attitudes, recognizes and declares, with pride in itself and scorn for the opposition, that the *nacionalistas* represent the gentlemanly, pure-blooded, and patrician tradition of Uruguay, while the colorados are the party of immigrants.⁶⁰

With the gradual development of parties, there also developed pressure for electoral reform. Following the pact of 1872, leaders of the two major parties began to consider seriously the importance of the registration of their adherents as voters.⁶¹ At almost the same time, proportional representation (PR) appeared in discussions as an improved method for electing members of the General Assembly. A leading political and academic figure, Dr. Justino E. Jiménez de Aréchaga, became an enthusiastic supporter of the proposal, and wrote often in its support in a Montevideo newspaper.⁶² PR was not adopted for many years, although a means was legislated for

minority parties to receive parliamentary representation by the elections law of 1893. The same law eased voter registration procedures and extended minority parliamentary representation to a degree. The suffrage was broadened.⁶³ Further amendments to the law in 1898 continued this process, although legislation after 1904 curtailed minority representation in the Assembly.⁶⁴ The victorious Colorados seemed determined, for a time, to curtail the Blancos in all possible ways. The current election and representation system is based on two laws enacted in 1924 and 1925,⁶⁵ and on the constitution of 1918.

To bring about the proclaimed goal of responsible civilian government, however, it was argued that constitutional change would be necessary. There had been discussion of its desirability for many years, and parliamentary committees had reported favorably on many proposals. In 1907, a constitutional amendment facilitating change was approved for the first of three required times by the General Assembly, and it became effective in 1912.⁶⁶

Following the collapse of the Blanco rebellion on September 1, 1904,⁶⁷ the government was left in complete military command. Batlle now felt his electoral position to be unchallengeable. His political strength was demonstrated by his selection of his own successor in 1907, and his return to the presidency in 1911. Until his death in 1929, he continued to control the office.⁶⁸ When Batlle signalled the beginning of the campaign for full-scale constitutional reform, he was merely asserting leadership of a movement well-begun.

Batlle argued, not without justification, that the practical effect of the 1830 constitution had been the encouragement of *caudillismo*, authoritarian and (normally) elitist government by a series of strong leaders. The party generally supported the theme that absolute power corrupts absolutely, although many Colorado writers recognized that the country's dictatorships had been social and economic phenomena as much as they had been political in nature.⁶⁹ Once such commentator has written:

All in all, it is justice to recognize that the 1830 constitution was fairly good for its period. It had, as someone has said, clarity of phraseology, ordered principles, liberality and advanced institutions. The chaotic situation of the country at that time perhaps necessitated a strong Executive Power to organize it. . . .

It was, after all, necessary to be kind to the caudillos of the past, for most of them had been Colorados.

Batlle proposed to attack the phenomenon of authoritarian government by broad social reforms⁷⁰ as well as by constitutional change. The campaign for the latter opened in 1913 when he adopted publicly the concept of government by Executive Council. There would be many democratizing changes in the constitution, including the adoption of PR for election of members of the Chamber of Representatives. The executive branch would be controlled by a Council of nine persons, elected in such a way that his party would almost certainly remain in control in the short run.⁷¹ Batlle was himself so controversial a figure that it has been observed, "The original sin of the project was its paternity".⁷² Another writer suggests that the recent history of Uruguay is only "The lengthened shadow of a man".⁷³

Constitutional change ultimately came, but only after heated debate, the election of a constitutional assembly controlled by Batlle's enemies, and a pact of the parties which produced a sluggish, hybrid Executive Council-President arrangement.⁷⁴ The Blancos, and the conservative Colorado minority, wished to see the executive power remain in the hands of a President. The Batllistas, on the other hand, accepted the Council as an article of faith. The result was that the country acquired both a President and a Council, each exercising part of the power of the executive branch. Since the competing groups were unable to agree on the organization of the legislature, that body was enlarged to accommodate both views. When economic crisis came to Uruguay in 1931, this government was unable to respond to the challenge, and a *coup d'état* and comparatively mild dictatorship followed in 1933.⁷⁵ This period left little of lasting positive constitutional significance on the record, other than the State's broad commitments to social welfare, but demonstrated the impracticability of the executive arrangement.

That Batlle was a caudillo must be conceded. That he attempted to lead from more humanitarian and popular bases than his predecessors is also clear, and there can be little doubt that he genuinely regarded himself as destined to improve the position of the urban lower and middle classes. At the same time he was a remarkably successful politician, and did not miss the obvious point that a successful social program would assure his party electoral victories. Even if he might suffer a personal setback, as was the case in 1916, the party would become almost unassailable.

The Blanco leader, Luis Alberto de Herrera, commenced his climb upward in his party only a few years after Batlle. Ultimately he became that group's perennial candidate for the presidency, and, on several occasions, for the Executive Council. Herrera was equally ambitious for personal recognition, but Batlle's tactics forced him to draw on the social, economic and voting minority in the country. He also appears to have been more ruthless in this quest for power, and he formed numerous questionable associations during his career. From time to time, when Colorado proposals for change became too upsetting to minority groups in that party, Herrera was able to attract them to his support, and to negotiate from the parliamentary base of a working majority coalition, with both Batlle and with his successors.

Had the tradition of caudillismo been less engrained, and had the social and economic structure of the country been less stratified, and less localized territorially within the country, it is possible that the pact of the parties, as a means of alleviating conflicts, would have disappeared gradually. The pact continues to be used, however, and clearly has supported the notion among practicing politicians that nothing ever needs to be settled. The executive branch of the constitution of 1918 was clearly a product of this assumption. To an important degree, it indicated the achievement of a consensus that power now was to be divided by allocation of offices, rather than of territories. Later, in 1931, the Blancos became powerful enough to exercise a negative control over government finance. Under this threat, the Colorados conceded them important powers over government businesses, but in such a way that the issue has not been settled down to this writing.⁷⁶

The pact of the parties also became an instrument whereby the Blancos and Colorados attempted to preclude entrance into the circle of power of minority groups. The 1931 agreement regarding government businesses offers an example, as do 1918 constitutional provisions which were designed to prevent capture of Executive Council seats by any but the two major parties. The ultimate development, perhaps, was the establishment, in the constitution of 1934, of a 30-member Senate in which the two most-voted parties would each receive 15 seats.⁷⁷

Anomalously, the laws concerning elections and assignment of executive council and parliamentary seats on a proportional basis broadened continuously the application of the principles of PR. Where proportional assignment of seats was demanded, it occurred. In addition, voters were so free to change affiliation from one party to another, and political groups were so free to organize themselves as parties, that virtual anarchy came to prevail. The legal provisions created the rationale for the existence of an ever-increasing opposition. As this opposition increased in gross size, if not in organizational unity, it was frustrated by the pacts of the major parties. As the major parties lost voting strength to the splinter parties, both became more factious. This is indicated by the *coup d'état* of March 31, 1933. Both the Colorado leader, President Gabriel Terra, and the Blanco leader, Herrera, plotted coups. Terra beat Herrera to the punch. Herrera made his peace with Terra immediately, and the numerous minor parties, which might have been able ultimately to muster a working majority in a free election, were frustrated.⁷⁸

The pact of the parties continues in use today. Its most recent major appearance occurred in 1951, when its use paved the way for constitutional reform.⁷⁹ It would be a misstatement to argue that the pact has always been used for bad purposes. Pacts have permitted the Blancos and other opposition groups sufficient political freedom, as well as entry into bureaucratic, legislative, and on occasion, executive positions, to enable them to support the government. They have permitted the development of extensive personal and group freedoms, since the major parties have usually felt sufficiently secure not to object to the rise of minor and splinter groups. They have even produced a constitutional system in which the executive branch is not necessarily predominant. In Latin America this can be viewed as an important anomaly.⁸⁰

During the late 19th and early 20th centuries a *modus vivendi* therefore was developed in Uruguay. It was not fundamentally constitutional in nature, although the constitution itself was not particularly foreign to the needs of the country. While in short-range terms pacts have been used expediently, the long-range utility and morality of their use are subject to challenge.

Uruguay's first century of independence saw the foundations laid for the present constitutional and political nature of the country. With only a few modifications and adaptations, the constitutional principles of the 1830 and 1918 documents remain in force. The political practices of that period, with all of their positive and negative characteristics, also remain in use, as will be explained in greater detail in succeeding chapters. By

the time Batlle died in 1929, the principle of extended government intervention in the economy and concern for social welfare also had been established, and many of the autonomous or decentralized government corporations had been founded.⁸⁰ In a number of important respects, it can be argued that the thinking of the country has not progressed substantially since the death of Batlle.

CHAPTER II

POLITICAL AND CONSTITUTIONAL DEVELOPMENT TO 1960

In 1960, Uruguay was burdened by the task of improving upon the results of deferred decisions, mixed intentions, and some self-delusion. The most caustic and informed commentator of all Uruguayans, Carlos Quijano, in 1960 described the possibilities for the future—pessimistically, if not, perhaps, accurately—when he pointed out the danger of 1961 witnessing a repetition of the *coup d'état* of 1933.¹ In some important respects the characteristics of the period immediately prior to his analysis paralleled the circumstances prior to this most embarrassing event of the last half century. They led one logically to the inquiry: did Uruguay advance very much during the thirty-year interval?

The coup d'etat of 1933, and its political results

On the morning of March 31, 1933, the President of the Republic, Gabriel Terra, proclaimed himself dictator. The step was taken with due regard for the legalistic formalities.² Prior to the actual movement of troops and dispersion or arrest of the elected officials, there had been enough warning so that no alert person could really have been taken by surprise.³ Few shots were fired by government forces. The one death resulting directly from the coup, that of Baltasar Brum, was a suicide in order to avoid capture.⁴

The event was the logical result of preceding years. Uruguay was undergoing economic crisis, as were other countries of the world. The treasury had reported deficits, foreign confidence in the stability of the peso had fallen, export markets had almost entirely disappeared,⁵ and the President was prevented from taking remedial action by the cumbersome structure of the 1918 constitution. This document, which was the outgrowth of the compromises and party pact of 1916-18, allowed the President control only of the external evidences of sovereignty—foreign affairs, the armed forces, and all police. The National Council of Administration, the unsatisfactory compromise which had grown out of Batlle y Ordóñez' proposal for a plural executive body, controlled all executive departments concerned with housekeeping and domestic administration—treasury and finance, agriculture, health, education, industry and public works. The Council controlled the budget and the bulk of the bureaucracy, and denied the President access to these essential components of government policy execution; but the members of the General Assembly, or parliament, retained the right of initiative regarding financial legislation, and often used this power to upset carefully-laid budgetary and fiscal plans.⁶ The Council attempted to discuss all government affairs, regardless of subject matter, and in practice behaved as if it were a third legislative chamber. The resulting delays and inefficiency, as well as general busyboding, often were enormous.

The entire constitutional structure came under severe criticism. Bitterness was heightened by the fact that the presidential election of 1930 had brought into the open the incipient breakup of both major parties. The Blancos were split by the increasingly obvious demagoguery and ambition of Luis Alberto de Herrera, whose opposition to the council executive form had never wavered. The Colorado "Batllistas" were split by the equally demagogic and ambitious policies of Gabriel Terra, who actually received fewer votes for the presidency than Herrera, although he received the office because of the idiosyncracies of the election system.⁷ Each man swung gradually toward authoritarian solutions. Large moderate factions were left behind; they managed to achieve working agreement among themselves, and to form coalitions in both the Council and the Assembly. As the two men changed positions, products of party pacts, which they had been instrumental in arranging earlier, became the targets of their abuse. The Council itself was of course a primary target, since its majority now was virtually independent of their control. A second target was the so called "*Pacto del Chinchulín*", a law of October, 1931, which apportioned seats in the boards of directors of the government enterprises among the principal parties.⁸ As the moderate coalition formed, it took control of the enterprises and excluded the two men. What had once been sources of harmony—the results of party pacts—now became the contrary.

It is possible that the constitution of 1918 would have survived the difficulties of this period had Batlle lived. Terra's personal deficiencies had outweighed the credit due him because of his party loyalty in Batlle's estimation, and he had never been able to rise higher in the government than a harmless seat in the Council.⁹ Batlle died in 1929, however, and Terra was able to manipulate the party's nominating convention.¹⁰ It was clear that he did not have the necessary party support to overcome the complex check-and-balance mechanism inherent in the constitution. On the other hand, his pleas to the public to support constitutional reform, while not unsupported by groups other than his own followers,¹¹ did not promise early relief from an untenable situation. All groups wanted reform, but each had its own plan.¹² Each accused the other of duplicity and bad faith. Discussion of coups against the constitution became the order of the day, until only the date was uncertain. Stalemate developed between Terra and the Assembly. Partly as a cover for Herrera's own activities—he and a group of close associates were already massing troops on the Brazilian side of the international border¹³—the *herrerista* newspapers began to call on Terra to overthrow the constitution. Terra's protests were unconvincing. Herrera and Terra met secretly on January 13, 1933. The fate of the constitution probably was sealed at that time. By mid-March, it was obvious that Terra had decided to go it alone, for he had begun the classic Latin American maneuver of shifting high-ranking army officers around among troop units so that they would be on unfamiliar ground and unable to command the loyalty of their enlisted men and junior officers.¹⁴

The "Great National Reform Commission in favor of Immediate Consultation of the popular sovereignty" had been organized on February 20th. Its principal membership was drawn from Terra's own followers, but the adherence of some Blancos and *riverista* (conservative) Colorados

gave it a more broadly-based appearance. Early in March, the Commission planned a mass meeting for April 8th, to form in the streets, march on the central plaza, and hear speeches from the *Casa de Gobierno*, the presidential office building. The Commission hoped a large enough crowd would impress the opposition. Clearly, Terra had given his support. His opponents likened the plan to the "March on Rome" which in 1922 helped Mussolini to seize control of the Italian government.¹⁵ The plan could be regarded only as another indication of Terra's intentions.

El Día, the Batllista newspaper, appeared as usual about 5 a. m. on the morning of March 30th, with the accusation that Terra "is building, in the shadows, the machine of dictatorship". The statement was signed by four of the five Colorado members of the Council.¹⁶ Terra replied with a decree of "Prohibitive censure . . . for all organs of publicity that have attributed or are attributing dictatorial intentions to the President of the Republic . . ." ¹⁷ Just before noon, Terra moved his offices, together with those of the Interior Ministry which controlled the police, to the Montevideo fire station, where they received police guard.¹⁸ He decreed the seizure of the penitentiary and of several public utilities, including the postal and telegraph services, and also cancelled the planned April 8th demonstration of the "Great National Commission".¹⁹

In the early evening the Council met again, discussed the day's events, voted unanimous condemnation of Terra's acts, and recommended to the Assembly that they be nullified. A message was sent to the Assembly meeting which was already under way. Terra had already informed the Assembly of the two decrees, and had denied, in a covering message, that he wished dictatorial power. The Assembly session was stormy, but resolved finally to nullify Terra's two decrees. The vote was 64 to 42. Several members had talked in terms that frankly invited Terra's assassination. The meeting rose at 6:32 a. m. on the morning of March 31st.²⁰

While the Assembly debated, troops and police began to move. As members emerged from the *Palacio Legislativo* they were placed in protective custody and, for the most part, escorted to their homes. Terra seized portions of the University, the local government, and the Assembly. Herrera returned to Montevideo on April 16th from southern Brazil, where he had been in personal contact with the forces assembled there for the purpose of attempting revolution.²¹ He and Terra now picked the 99 members of a Deliberative Assembly which would serve as a provisional legislature, and which began its meetings on May 3rd.²² On June 25th a constitutional assembly was elected with the participation of only those political groups which had supported Herrera and Terra.²³ The new constitution was accepted by a plebiscite on April 19, 1934, and was declared in effect on May 18, 1934.²⁴ Obviously it was the result of another pact, this time between two mutually, and more than normally, suspicious leaders.

There can be little doubt that a change was needed in 1933. In view of the complete lack of agreement among the various groups, it is probable it would have had to be imposed by firm leadership. Terra's action seemed precipitate, and yet one properly can ask, had Herrera been allowed to move, would a resolution have come more democratically or quickly? In view of his personal record, the answer probably cannot be affirmative. The

tragic aspect of the affair is that it occurred because of the failure of the party pact of 1916-18 to produce a solution which could be supported by a permanent consensus. Because of this, failure was allowed to stand for want of an alternative; and because the shaky consensus evaporated under the heat of competition, rivalry and crisis, a man known for precipitate acts was placed in the position of being able to undertake another.²⁵ Yet when the action was legitimized, Terra resorted again to a pact. This time it was with Herrera, with whom he knew it was impossible to deal in confidence. Only 31 months after the promulgation of the 1934 constitution, preparation for change was occurring again, in the hope that some remodelling would save it.²⁶ This was not possible, and the coup of February 21, 1942, brought to an end this unhappy period.

The constitution of 1934: checks and balances or calculated frustration?

Despite the circumstances of its drafting and promulgation, the new constitution contained lengthy guarantees of personal freedoms.²⁷ The National Council of Administration disappeared in name, of course, and the executive branch became the President and his Ministers.²⁸ The General Assembly was unchanged in form, although the size of the chambers and the periods of office of the members were changed.²⁹ As before, the Ministers had the right to participate in the work of the individual chambers of the Assembly, as well as the legislative committees, but without vote.³⁰ They were subject to censure and removal from office, however, and the President was empowered to dissolve the Assembly under certain circumstances.³¹

The Executive Power was composed of the President as well as his nine Ministers, in joint session.³² No more than six of the Ministers could be from the party which had elected the President; three were to be assigned to the second party in the voting. These posts had to be apportioned "among citizens who, through counting on the support of their parliamentary group, can assure their remaining in the post"³³ Only in limited instances would the President be free to appoint Ministers entirely of his own choosing.³⁴ The Council of Ministers was intended to be the decision-making body within the executive branch; the President was required to work with the Ministers, and the possibility of his being overridden was clearly envisaged.³⁵ It is obvious that the plural executive of the 1918 constitution was being continued in fact, although none of the three political groups which participated actively in the post-coup government had supported its continuance. The motivation, of course, was lack of mutual confidence.

A second, more invidious, result of the pact appeared in the composition of the Senate. Of the total of 30 members of that chamber, 15 were assigned to the "most voted list of the most voted *lema*", and the other 15 to the "most voted list of the *lema* which follows in number of votes."³⁶ Article 87 of the constitution provided that if "permanent" parties, which had participated in at least one previous national election, could agree among themselves to develop a coalition of lists using the same *lema*, the 15 seats awarded would be divided among the lists in proportion to the

votes received by the coalition. One such coalition was developed, in the 1934 election.³⁷ The Vice-President of the Republic presided with both voice and vote,³⁸ so that in normal circumstances the President's party could always control the Senate's decisions. Regardless of the election of the Chamber of Representatives by proportional representation,³⁹ there could be little doubt that the Terra-Herrera coalition controlled the Senate, and therefore, in a preventive sense, the Assembly.⁴⁰

The constitution also provided for the establishment of an odd variety of parliamentarism, not unlike that adopted for the Fifth French Republic in 1958. The President's Ministers might be called for explanations by either Assembly chamber. They might be made the objects of unfavorable votes, and in case of the successful operation of a complex arrangement involving an adverse vote by an absolute majority of one chamber, followed by an absolute majority vote by the two chambers in joint meeting, could be "judged politically" for their "acts of administration or government". This judgment could be individual or collective, and would force the resignation of the Ministers involved.⁴¹ Although some Uruguayan writers consider this to have been intended only as parliamentary censure, both the phrases "to judge politically" and "acts of administration and government", as well as the procedure followed, suggest impeachment rather than censure.⁴² In cases of censure voted by less than an absolute two-thirds of the joint meeting, the President was empowered to dissolve the Assembly and convoke elections within 60 days.⁴³ The new Assembly, in joint meeting, would decide within 15 days of its opening to uphold or to vacate the decision of the dissolved Assembly. The vacation of the vote of censure would signify the ending of the crisis, while the confirmation of it would force the fall of the President and his cabinet.⁴⁴

The parliamentary relationship thus planned has been discussed fully by Uruguayan writers.⁴⁵ The ostensible purpose was to provide that any breakdown of executive-legislative cooperation would be referred automatically to the voters for judgment. The analysis was based on the argument which had been used to rationalize the coup itself: that the government had been captured by minorities and that the coup really had been intended to give the majority the chance to regain control.⁴⁶ Whatever the argument might be, the fact was that the two parties which controlled the executive branch also controlled the Senate, and that a breakdown between the two branches was therefore a practical impossibility. Requests from the Assembly for information were honored, as they had been under the two preceding constitutions. But no Minister was ever censured. Only the breakdown of Herrera's control over his own followers, or his own defection from the pact, could precipitate a crisis. His control of his own followers remained absolute until his death. Both the reasoning in defense of the coup and the constitutional mechanism itself remained nothing but fictions behind which existed a comparatively mild, but nevertheless quite real, dual dictatorship. A pact had been concluded which created the semblance of stable government, but it was government at the disposal of two parties which guaranteed themselves the spoils of power.

After the coup of 1933, the already hardening attitudes of the moderate groups of both parties were ratified. The anti-Herrera Blancos laid plans for their own party, the *Blancos Independientes*, or Independent Whites.

The anti-Terra Colorados did not break completely away, since they viewed Terra as only a temporary captor of the party. Both decided to abstain from elections activity until the return of conditions not influenced by the two men, however. They argued that the coalition provision for election of Senators would only make them captives of the participants in the pact, should they accept seats in the Chamber of Representatives.⁴⁷ In the meantime, Herrera and Terra were having their personal differences.

The result of these factors was the long list of amendments to the constitution adopted by the Senate on December 30, 1936, and ratified by the voters on March 27, 1938.⁴⁸ Their substance seemed to indicate the hope that a tighter embrace would permit the participants to ignore the inevitability of discord. Ordinary coalitions were no longer to be possible for the election of Senators. The presidency of the Senate was to alternate annually between the first names at the tops of the two winning lists of Senators, and the Vice-President of the Republic was eliminated from participation in the Assembly. Finally, for the 1938 election only, it was provided that if two or more parties could agree on the use of a single lema for lists of Senatorial candidates, and this short-term coalition should receive a majority of the votes, it would receive all 30 Senatorial seats.⁴⁹ If this same short-term coalition should present more than one list for the presidency and vice-presidency of the country, the presidential candidate of the second most-voted list would become the President of the Senate for the entire four-year period.⁵⁰ The special coalition provided for in these latter arrangements never materialized. It was clear, however, that the disintegrating partnership intended to reinstate its control of the government on the basis of as complete equality of the two members as possible, and also to leave the door open to one-party government growing out of their unification if their differences could be resolved. The confirmation of the breakdown of the coalition came in the election results of 1938. The Colorados received 219,311 votes (61.3 %), the Blancos 114,506 (32.1 %), and other groups 23,388 (6.6 %). 43.1 % of the qualified votes did not vote.⁵¹ The Colorados would not, after such a vote, continue to regard the Blancos as equals. The vote indicated the abstaining moderate groups were having trouble restraining their own members; in 1934, only 232,269 votes had been cast on the ratification of the constitution. The 1938 vote was the largest cast to date.⁵² Further, analysis of the Colorado vote showed that divisions in party ranks were deep, and that Baldomir did not command much more support than did Herrera.

However objective one's viewpoint may be today, it was impossible to be impartial while Terra lived. He might write, "... together with my functional obligations written in the constitution, I felt at that moment the moral obligations that linked me to the people . . ."⁵³ But Arturo Juega Farrula replied in 1941:

The coup was due to an ambitious oligarchy . . . Surrounded by unscrupulous men, professional demagogues, defeated candidates and powerful military men, the legal government of 1933 set up . . . the machine of dictatorship which destroyed public liberties, suppressed the right of assembly, abolished social conquests, and transformed the fundamental charter into a scrap of paper.⁵⁴

Calmer critics have made more useful but nonetheless critical observations. Pablo Blanco Acevedo commented:

As a general thesis, it can be affirmed that a constitutional reform made under a de facto government loses by this very fact [some of] its value and importance . . . Only if there results a document notable for its basis of consecrated principles, including a happy solution for national problems, could there be predicted a general acceptance Unhappily this has not been the case [with the 1934 constitution] It is not superior to that of 1917 and in some provisions it is perhaps inferior.⁵⁵

And Justino Jiménez de Aréchaga noted dryly:

The constitution of 1934 is the translation into our public law of a political pact through which the two parties that had perpetrated the *coup d'état* of 1933 intended to maintain, in a regime of balanced forces, their hegemony over all the national political organization⁵⁶

The coup d'état of 1942, and the return of constitutional democratic government

As the Terra-Herrera understanding broke down, and Terra gradually withdrew from power after the election of Baldomir to the presidency in 1938, abstentionism broke down and intra-Colorado competition increased. The great majority of the Blancos continued to be loyal to Herrera and were confident of victory; the strength of the Independent Blanco party was as yet untried. Uruguay had been caught up in the plots of the second World War, and later evidence indicated clearly that Herrera was receiving cash payments from Hitler's German agents, presumably in expectation of services which might be rendered.⁵⁷

Because it was clear the effectiveness of the 1934 constitution could not be sustained, Baldomir began planning to change it. As early as 1940, therefore, a group of prominent political figures, and members of the University of Montevideo Law School faculty, at Baldomir's request, prepared a rough draft of changes in the constitution. A similarly-composed group continued the examination in 1941; this new group included representatives of the political groups which had abstained from the 1934 and 1938 elections. Baldomir was unable to obtain favorable Assembly action on the proposals, however, because of the composition of the Senate.⁵⁸ Amendment by legal processes seemed impossible, thanks to the amendments of 1938.

As the announced election date, the last Sunday of March, 1942, approached, the Colorados were unable to agree on a single slate of candidates for the presidency and vice-presidency. Baldomir's personal newspaper, *El Tiempo*, became severely critical of the Electoral Court, the bipartisan—and presumably non-political—body with constitutional powers to supervise the elections. It suggested the Court could not be relied on to be fair in its judgements, and urged the replacement of its personnel.⁵⁹ The three herrerista Ministers in Baldomir's cabinet began opposing for the sake of opposing, and in 1941 they were told to leave. They did so, but the move was regarded generally as concrete warning of another coup.⁶⁰

When the actual blow fell on February 21, 1942, it was anti-climatic. The herrerista newspapers were very nearly hysterical, although the principal member of the group, *El Debate*, had been denouncing Baldomir for months.⁶¹

The Blancos originally may not have expected to win an election in the period following the 1933 coup, since the breakaway of the anti-Herrera Independent Blancos appeared to weaken them. The 15-15 split in the Senate had served only to frustrate any moves to gain advantage. Toward the end of the Baldomir period their hopes grew, however, since Colorado intra-party splits were becoming obvious. Their expectancy was increased by technical changes in the elections laws.⁶² The coup therefore appeared to them to have snatched possible victory from them.

On the whole, the attitude of the press was one of quiet non-cooperation. Within a few days, the numerous Colorado factions had been unified, and on March 16th a Council of State of 42 members, appointed by Baldomir, entirely of Colorados, met to write a new constitution. Principally it made minor changes in the 1934 document, most of which had been recommended by the 1940 and 1941 study groups. Its work was completed on May 28th, and an invitation to all parties to adhere to the new draft was accepted immediately by the Independent Blancos.⁶³

The deferred election of March was rescheduled for November 29th. At the same time, voters were asked to accept the new constitution. A serious effort to run a non-political candidate was made by the now reunited Batllista Colorados, and Dr. Juan José Amézaga, a highly respected Professor of Constitutional Law, was nominated to run against Herrera. Of 858,713 persons qualified to vote, 574,577 (66.9 %) voted on the constitution. Of this number, 131,163 (22.8 %) voted to reject it; the number was surprisingly small, since it was accounted for entirely by the Blancos.⁶⁴

The shabby interval was thus liquidated, but not without a second anti-constitutional act, one which was almost entirely the work of one major party with the acquiescence of minor groups. In addition, there had been two unsuccessful attempts against the Terra government.⁶⁵ The country girded itself to return to regularity, saddened by experience. A minor redeeming feature of the 1942 coup was that the army which had overthrown the constitutional government in 1933 helped restore it.

The 1942 constitution, and the frustration of Dr. Herrera

The 1942 constitution was so similar to the 1934 document that some writers regard it as only a collection of relatively unimportant amendments.⁶⁶ While this view is justified for the most part, the sections concerning the major organs of government were different enough to provide a return to more normal political life. The President of the Republic regained some of the freedom of action regarding policy formulation and execution which he lost in 1918,⁶⁷ and the invidious two-party control of the Senate disappeared.⁶⁸ There was no fundamental change in the provisions regarding censure of Ministers and dissolution of the General Assembly.⁶⁹

The Executive Power was again described as the Council of Ministers, with the President of the Republic as its presiding officer, with voice and vote.⁷⁰ Although the constitution required that the Ministers be selected from among persons with parliamentary support, so that they could be comparatively permanent in their posts, the President was specifically empowered to appoint at least four Ministers from his own party, and

could appoint the remaining five Ministers wherever he wished.⁷¹ The President also was able to replace his Ministers at his own option.⁷² These Ministers were empowered, as before, to participate in parliamentary debates and committee meetings, but without vote.⁷³ There was no constitutional provision giving teeth to the implication that the collegial executive had been perpetuated, however, since the phrasing which had hampered the 1934 presidency was dropped.⁷⁴

The principal change regarding the General Assembly was the election of the 30 Senators by PR, with the country as a single constituency. The Vice-President of the Republic was returned to his position as presiding officer, with voice and vote.⁷⁵ The constitution also provided that the 99-member Chamber of Representatives would be elected by PR, with at least two members for each of the 19 Departments.⁷⁶ This also represented a change from the previous constitution since, although PR had been employed for these elections, it had been the result of its being provided for by law, rather than by constitutional provision.⁷⁷ The chambers were again designated as judges of the qualifications of their own members; the preceding document had removed this power from their hands.⁷⁸

The executive-legislative relationship was not changed basically in the new constitution. The same confusing phrasing, which suggests impeachment rather than censure, appears.⁷⁹ It became slightly easier to determine and maintain the censure of a Minister, or of the entire cabinet.⁸⁰ Under this constitution as well as the former, the procedure continued to be so difficult to achieve that it was never employed. There were instances of "moral censure", in which one of the chambers indicated its inability to accept the explanations of policy or of attitude of a Minister, and in some cases men resigned their posts. This was largely an individual matter, however, and depended on the personal toughness of the person involved and on the strength of the backing given him by the President.⁸¹ By 1949, the Blanco party had adopted the doctrine that censure by either of the two chambers should require resignation, but the constitution was never amended to include this proposal. More to the point of meaningful parliamentarism was the suggestion in the 1940 discussions on constitutional reform by conservative Colorados that Ministers should be invested in office by the Assembly only after discussion of their proposed programs. This was not adopted, however.⁸² In 1948 a Blanco deputy referred tartly to the facts: "... in a country like ours, ... in which the parliamentary form of government is only a formula if not a fiction."⁸³

The return of comparative normalcy in 1942 was facilitated by the establishment of Amézaga's caretaker government.⁸⁴ It had been clear that abstention from politics could not be maintained; political ambitions could not be held in abeyance indefinitely. Perhaps the most ambitious, next to Herrera, was Luis Batlle Berres, the nephew of José Batlle y Ordóñez. Amézaga and Luis Batlle represented contrary views of the tone which should be given to presidential leadership. The country had ample opportunity to evaluate this difference when, as Vice-President, Batlle succeeded to the presidency on the death of Tomás Berreta in 1947, only a few months after the latter's inauguration.⁸⁵ Amézaga's leadership, in the light of his position, had been so weak that he had had difficulty obtaining the passage of bills which he considered central to his policies.⁸⁶ Batlle, on the other

hand, was criticized severely, both in parliamentary debates and in the newspapers, for his vigorous use of the presidency for what many regarded as self-aggrandizement.⁸⁷

It has been observed that Blanco partisanship reached new heights during this period. Justino Jiménez de Aréchaga has remarked that although the Blancos and other opposition parties possessed parliamentary seats from which to criticize the executive branch, they seemed to prefer to use their highly partisan newspapers as the media for attack. (The comment tends to ignore the repeated effective use of parliamentary interpellation by the Blancos, incidentally.) Jiménez asked if this did not raise institutional problems. Press criticism, he argued, is irresponsible, since the attacker can be entirely negative; parliamentary criticism must be responsible, since the government could be brought down by its means and the attacker suddenly could become responsible for policy.

While such a situation goes on [of attack in the press] there is no possibility that the country will advance in regard to its institutional organization. It is essential to understand that criticism implies as much responsibility as does action, and that to censure governments [properly] the critics must assume the responsibility of governing in substitution of the former governors. Anything else is nothing but a sterile little war or useless display of force which discredits, disadvantageously, the institutions of democracy.⁸⁸

Even in ideal terms the argument is subject to question. It was clear that the Blancos, granted the awkwardness of the censure procedure, believed that they would have little chance of toppling a government by using it. Further, they believed they had lost more in the coup of 1942 than merely the opportunity to obtain a major portion of the spoils of office. Their sense of frustration was heightened by their realization that there was little probability of their regaining control of the government under the 1942 constitution, since it appeared unlikely that they could win an election. The election system for the President and Vice-President, to which they had agreed in the constitution of 1934, and which was retained, permitted the winning list of candidates to obtain office while not necessarily having even a plurality of votes.⁸⁹ National politics had become a one-party show for the moment. The coup of 1942 was ratified popularly by the persistence with which the voters returned Colorado candidates to control of the presidency and the Senate.⁹⁰

The return of all Colorado factions to political participation therefore postponed possible Blanco victory. Although the party scored modest voting gains in each election after 1938, Colorado totals also showed gains.⁹¹ The period prior to the 1946 election was one of rapid fence-mending by Colorados, but herrerista party reconstruction also was vigorous. The effectiveness of the latter's efforts was shown by Herrera's receipt of a plurality of 20,000 votes over the Berreta-Batlle list which won.⁹² Although the Colorados had won 19 Senate seats to the Blancos' 7 in 1942, the spread was cut to 15 for the Colorados and 10 for the Blancos in 1946, with 3 additional seats assigned to the Independent Blancos.⁹³

By 1950, Blanco optimism was again very high. Luis Batlle's ambition had led to an open break within the ranks of the Batllista group of Colorados; the permanence of the split had been symbolized by his decision in 1948 to open his own newspaper, "*Acción*", and to offer a separate list of candidates,

under the number "15". The Batlle Pacheco brothers, César and Lorenzo, sons of José Batlle, the leaders of the more traditional Batllista wing of the party, retained the number "14" which had been used for many years.⁹⁴ The groups have become known commonly as "*quincistas*" ("fifteeners") and "*quatorcistas*" ("fourteeners"). The latter group had been unable to carry a proposed return to the Executive Council form in the 1946 election,⁹⁵ and Luis Batlle indicated he felt César Batlle's group a sinking ship. At the same time, his urban labor-oriented politics were alienating many urban moderates, as well as an increasing number of rural voters. Tough and persistent herrerista spade work seemed about to pay off. Yet the 1950 elections were again a disappointment. Despite the receipt by Herrera's list of a plurality of 92,000 votes over the leading Colorado list, the total Colorado vote of 433,000 votes was greater than the Blancos' 255,000. Herrera received a plurality in every one of the country's 19 Departments without winning office, small consolation for a man who had now been unsuccessful in six candidacies for the presidency. The Colorados now held 17 Senate seats, the Blancos 12, and the Independent Blancos 1.⁹⁶

Another party pact: proposals for the reform of the constitution

The traditional Blanco position had been one of the opposition to the Council executive. Herrera's cooperation with Terra in 1933 had been rationalized in these terms. On the other hand, constant frustration by the elections, or by clever Colorado maneuvers, was too much to continue to accept gracefully and indefinitely. Since his *de facto* assumption of party leadership in 1904,⁹⁷ the now aged Herrera—who was known until his death as *el caudillo*—had participated legally in the executive branch's operations only once, while a member of the National Council of Administration for the period 1925-1931. Yet the almost universal discontent which had prevailed in 1933, and which had made his participation in a successful seizure of power almost innocuous, had not reappeared.⁹⁸ The solution seemed to be participation in another pact of parties, by which the constitution could be changed so as to permit him limited success. When it became known, through approaches by spokesmen for the winning Colorado candidate, Andrés Martínez Trueba, that the restoration of the Executive Council would receive his support, Herrera jumped at the chance.⁹⁹

Martínez' motives in proposing further consideration of the Council seem to have been quite innocent. As a lifetime admirer of José Batlle and a journeyman Batllista politician, Martínez still regarded the Council as the ideal form for the executive branch. His action no doubt was disappointing to Luis Batlle, on whose list "15" he had been the leading candidate. The proposal to share executive power among nine men, few of whom would be under Batlle's control, could scarcely be expected to meet his patron's approval. Batlle had not bothered to conceal his feeling that list "14" and the Batlle Pacheco brothers were behind the times in their stubborn adherence to the plan, but apparently he did not yet feel strong enough to begin an open attack on it.

The first public statements regarding the new pact were released on June 3rd, only three months after the March 1, 1951, inauguration of the Martínez government. On July 31st, Martínez and Herrera signed a pact

in a private meeting in the former's home. It had been arranged previously by meetings of a Batllista committee composed of representatives from both lists "14" and "15" with a committee of Herreristas. Its 27 clauses and 4 additional general statements proposed extensive reform of the 1942 constitution.¹⁰⁰ It offered incentives to the minor splinter groups of both major parties to return to the fold. With the exception of the agreements which based the 1918 constitution, no previous pact had attempted so completely to reorganize the government, nor to implant so deeply the favored position of the two largest parties within the organs of government.

The most obvious change introduced by the party agreement was in the executive branch. The National Executive Council (NEC) was to be established, somewhat closer in form to Batlle's original ideal which had been presented in 1913, and which had been adopted only in part in the 1918 constitution. The 9 members would be elected for four year terms, in the ratio of six for the most-voted lema and three for the lema with the next highest number of votes. Direct reelection of NEC members would not be permitted. The presidency of the NEC would be rotated annually among the top four names of the majority bloc.¹⁰¹ There could be a pre-election agreement reached among the competing factions within a single lema to combine their forces, but this would not be permitted for groups which never had been combined at some time in the past. The purpose was to attract the Independent Blancos and Independent Colorados back to the parent parties, but to preclude such coalitions to Socialists, Catholics or Communists.¹⁰² It was agreed that the first NEC would serve out the term of President Martínez, and that the six-three split of NEC members would preserve the results of the 1950 election. Therefore the Batllistas would provide six of the new NEC members, and the Blancos would provide three. It was understood that if one of these two groups decided, during the parliamentary debates on the constitutional draft, to admit persons from other factions of their respective parties to participation within its allocation of NEC seats, they would be free to do so. These nine names would then be included in the draft constitution submitted to the voters in the plebiscite.¹⁰³ The bait to the independents was partially successful. The Independent Blancos refused to join, but the leader of the Independent Colorados did return on the promise of an NEC seat. His group did not follow him, for their opposition to the Council executive was too strong to permit acquiescence. Prior to the election, the parties agreed not to allow the voters actually to vote on the names of prospective NEC members; the General Assembly would be left free to designate them.¹⁰⁴ "The Ministry will be appointed by the majority of the Council", was the only reference to the Cabinet.¹⁰⁵

Little was said of the legislative branch other than the provision that the Vice-President, Dr. Alfeo Brum, would serve out his original term as permanent President of the Senate. In the future the Senate would have 31 elected members, with the leading person on the most-voted list designated as the permanent President.¹⁰⁶ Some change was proposed in the procedure for censure of Ministers by the General Assembly, however, in that one chamber now would be able to vote "political" censure of a Minister and to request that the General Assembly confirm this action with "legal" effect; that is, only the Assembly could impose resignation upon the Minister in question.¹⁰⁷

Aside from the changes which were proposed for the executive branch, the proposal which was attacked most frequently established a straight party ballot for all elective offices in the country. There could be no split-ticket voting; lists would include candidates for national, departmental, and, where applicable, local officers. The party which controlled the majority bloc of the NEC would also have at least pluralities in all other bodies by this arrangement, both elective and appointive.¹⁰⁸ In prior constitutions, there had been at least two ballots, one for national officers and one for Departmental officers.¹⁰⁹ The control by the two leading parties was to be assured in other ways as well. Administrative appointments were to be more firmly under party control than ever before, with the party office-holder blocs in either the NEC or the General Assembly specifically authorized to appoint members of Boards of Directors of Government commercial and industrial enterprises, courts panels, and the various constitutional supervisory councils and committees.¹¹⁰

Parliamentary action after the pact, and the Plebiscite of 1951

The party pact provided that the constitutional draft would be submitted to the voters in a plebiscite on November 25, 1951. This draft was prepared by a committee of 65 Batllista and herrerista representatives.¹¹¹ It was then considered in detail by a Special Committee on Constitutional Reform of 25 Deputies.¹¹² This Committee met from August 29th to September 20th, and approved the draft with comparatively minor qualifications.¹¹³ After a short meeting on September 24th by the Committee to plan debate tactics for the plenary discussion in the Chamber of Representatives,¹¹⁴ formal debate began on the 26th.¹¹⁵ A final vote of 85 to 14 supported the principles of the amended draft on the afternoon of October 2nd; the absolute two-thirds requirement for approval had been met amply.¹¹⁶ Active discussions of some details continued in the Chamber until the final votes, by sections, were taken on October 10th.¹¹⁷

The revised draft now passed to the Senate, where a special committee of 11 members had been designated earlier on the afternoon of the 10th.¹¹⁸ The committee was installed on the following day and began the first of six meetings that afternoon. This committee reported to the Senate on October 20th,¹¹⁹ and two days of general discussion were able to produce a vote of 26 to 4 accepting the new draft constitution in principle.¹²⁰ Two more sessions of discussion of details resulted in a final vote of 24 to 3 accepting the document with five minor amendments, on October 26th.¹²¹ In a short meeting that afternoon, the Chamber's Special Committee approved these modifications,¹²² and the Chamber followed suit by a vote of 74 to 6 a few hours later.¹²³ The plebiscite was reset for December 16th, in order to allow adequate time for a campaign.¹²⁴

The final draft constitution which was submitted to the voters was not much different in principal outlines from the terms of the party agreement which had been signed six months earlier. The National Council of Government (NGC) was unchanged from the National Executive Council.¹²⁵ The bloc of six seats belonging to the most-voted lema are awarded to its leading list except under special circumstances, when one of the six is assigned to the second most-voted list of that lema.¹²⁶ PR governs the assignment of the three minority bloc seats to the second most-voted lema.¹²⁷ The

powers of the NCG are virtually the same as those assigned the President of the Republic in the two preceding constitutions,¹²⁸ and the post of President is now rotated as was proposed in the pact.¹²⁹ The President has few individual powers; the point is made clear by a spelling out of the limits on his position.¹³⁰ The nine posts of the Ministry remain as described by the law which reorganized the offices in 1935.¹³¹ Their duties and privileges regarding the General Assembly remain as before, as do their limitations.¹³² The Council of Ministers, as such, no longer exists; the exact participants in the executive decision-making process are not specified, but one assumes that only NCG members may so act. The Ministers may be appointed by the majority of the NCG; no special reference is made to the need that appointees possess the backing of a distinct parliamentary group.¹³³

The General Assembly is again bicameral; the Chamber of Representatives is unchanged, with 99 members. The Senate has been increased to 31 members, in view of the disappearance of the Vice-Presidential office.¹³⁴ Either chamber may demand the appearance of any national constitutional officer, other than NCG members, to answer policy questions,¹³⁵ and all national officers, including NCG members, may be impeached by the Representatives, with subsequent conviction resting with the Senate for either policy or other acts.¹³⁶ Censure of Ministers by the General Assembly for policy reasons has become only slightly easier, since it may now be sustained by an absolute majority in a joint session, and the NCG has no power to dissolve the Assembly in such a case.¹³⁷

One objectionable feature of the party pact, which referred to the special appointing powers of the parties' blocs in the NCG and the General Assembly, was modified. Members of Boards of Directors of government businesses are still to be appointed as originally proposed; the NCG majority bloc has control of the majority of a Board, the NCG minority bloc controls a Board's minority, and the Senate has only 15 days in which to exercise a veto requiring an absolute two-thirds vote.¹³⁸ Appointment of members of the Supreme Court, the Administrative Appeals Tribunal, and the Government Accounts Tribunal is made by a two-thirds absolute vote of the General Assembly in joint session, however.¹³⁹ None of these arrangements varies from those which prevailed in the preceding two constitutions. The Electoral Court is designated by a somewhat more complex system, but this also is the same as previously existing arrangements.¹⁴⁰ The establishment of a single ballot for the election of all elective officers in the country remains, however.¹⁴¹ Its retention virtually assures that party-line voting in the General Assembly, plus inter-party agreements on appointments, will rule.¹⁴² In general, therefore, all significant national and local positions will be filled either by the two major parties or with their consent.¹⁴³

The campaign to obtain public approval of the new constitutional draft was noisy as are all Uruguayan campaigns, with a plethora of sound trucks, posters, and newspaper appeals. Actually, the principal problem was public apathy if not, in some cases, hostility. It had been agreed in the parliamentary discussions that the voters would not be asked to pass judgment on the prospective NCG members. The results of the 1950

election would have to be accepted, even though it had given control of the government to a deeply divided Colorado party; the voters therefore had difficulty in seeing any point in voting at all. Even loyal supporters of Herrera had some difficulty accepting his appeal to vote for the reform, since he was now on the same side of the fence as devout Batllistas for the first time in his life, supporting a Council Executive form. The claim which the minor parties always had made, that the Colorado and Blanco leaders cared little for principle or for the constitution itself so long as they could retain a monopoly of the spoils of office, acquired new meaning. A minority report from the Special Committee of the Chamber of Representatives, written by Dr. Venancio Flores, stated the case in concise and caustic fashion:

... The project is an obvious and corrupted importunity. Originating in political and circumstantial interests, it affects the permanent interests of the country, which are something distinct. The Nation neither wishes nor demands this reform and observes with indifference the process of its development.

The people, which normally, in [other] similar cases ... assumes by right and by duty the role of protagonist, is today scarcely a spectator, occasionally amused, generally disconcerted, and sometimes captious....

... The project was originated in an extraparlimentary pact of a hermetically sealed political nature, the lines of which were maintained absolutely ..., without real possibility of introducing any changes of a basic nature. The project thus was born under the sign of a private negotiation which decided the fate of the country outside of the normal stage where such constitutional reform acts should occur: the Parliament....

Dr. Flores continued by pointing out that the General Assembly had been elected by voters who had pronounced clearly against the Executive Council plan on previous occasions. Therefore, the signers of the pact acted in defiance of a mandate, not with one. Although the procedures followed in the preparation of the draft constitution were within the letter of the law, they were in violation of the spirit of democratic practice. The Constitution would be subordinated to the parties, and decision-making by "the government [would be] removed from constitutional institutions to party committees." Unprecedented political spoils would be granted to a few of the parties at the expense of the entire country, and two of the parties actually, through their control of the Electoral Court, would be able to control the fate of all others. The administrative agencies, on which so much reliance was placed for checking the political branches of the government, would become completely ineffective. There would be serious risks of constitutional dictatorship because of the tight hold a few groups, acting through the NCG, could gain over the government.¹⁴⁴

Dr. Flores, however, represented a minor anti-reform party. The groups favoring the changes felt confident of victory. 76.1% of the votes cast for the presidency in the 1950 election had supported candidates whose parties favored the reform, and an additional 14.6% of the voters could possibly be considered as neutralized by confusion.¹⁴⁵ Luis Batlle was taking an equivocal position, however; although his newspaper, *Acción*, never opposed the reform directly, his secondary supporters suggested to organized labor groups in Montevideo that their abstentions would not be unwelcome.¹⁴⁶ Batlle's group, after all, would be losing the presidency, and would receive in return control of only two-ninths of the NCG. Not

all of the newspapers normally in support of Herrera went along with him; *La Tribuna Popular* chose to follow the Independent Colorado line instead, and opposed the reform, as did the Independent Colorado newspapers and those of the Catholic, Socialist, and Communist parties.¹⁴⁷

The voting results were surprising at first glance, yet not entirely unpredictable. Influenced by the combined effect of the arguments against the reform, Montevideo produced a 59.2% majority against it. The remainder of the country supported it by a large enough figure to give a total majority of 54.2% in favor. Public feeling was not impressive either way, however, for only 36.7% of the qualified voters bothered to vote at all.¹⁴⁸ Dr. Flores' argument that the people were passive spectators appeared justified.¹⁴⁹

Post-1951 politics and the Blanco victory of 1958

The balance of the 1951-1955 term was completed by a Council which was regarded generally as a caretaker. Martínez Trueba remained the President of the Republic, as promised, until March, 1955. There were few constitutional or political surprises. At first the Council was able to act more forcefully in facing its problems than had been anticipated, and more so than Martínez had dared during his year alone. After unsuccessful efforts to resolve a wage quarrel involving city transport workers, the Council in September, 1952, asked the General Assembly for, and received, special powers to maintain the peace. The strike was broken.¹⁵⁰ It is probable that Martínez' reluctance to act had been due to his desire not to roil the political atmosphere during the discussion of the reform. With the election out of the way, more direct action could be taken. The Council's ability to react forcefully to disturbances of the peace was again demonstrated in 1958, when special measures were invoked to prevent continued violence by students supporting a proposed new "Organic Law" for the University of Montevideo.¹⁵¹

These matters were comparatively straightforward, since the situations were simple; violence had been committed, the law had been violated, and many people had been inconvenienced. More to the point regarding the viability of the Council was its complete inability to react forcefully and wisely to complex social and economic challenges. Inflation developed and budget deficits and unfavorable foreign trade balances were customary. The level of public services fell.¹⁵² During the plebiscitary campaign, an opposition newspaper had remarked that the party pact appeared to confirm a golden rule of politics, divide the jobs three and two.¹⁵³ The "rule" itself was not new, but the remark touched on the view held by the general public that the parties' principal task is that of obtaining government jobs for their supporters.¹⁵⁴ Although services deteriorated, therefore, the upward trend in government employment continued.

The Councillors saddled themselves with the minutiae of government business, as has been expected. Thus they could not spend enough time in the development of general policy. If it was indeed José Batlle's expectation that the establishment of the Council executive would preclude the exercise of decisive control of the government by any one individual, it could be claimed that experience proved him right. Self-deprived of policy leadership, the executive branch seemed to have deprived itself of all capacity to control, sanguine predictions to the contrary. The individual

party machines, strengthened by the establishment of the single ballot for all elective offices, assumed the duty of controlling their members in both executive and legislative branches.¹⁵⁵ In this respect, Dr. Flores had been correct.

The major political surprise of the present century occurred in 1958, when the Blancos won the election. The Colorados were badly split by this time, and the break between Luis Batlle and César Batlle, which had been formalized in 1950 by the separation of electoral lists "14" and "15" into distinct sublemas, was confirmed. Luis Batlle's following clearly had become stronger than the older list "14", which indicated its unchanged doctrinary viewpoint by the continued use of its slogan, "For the ideals of Batlle".¹⁵⁶ While quatorcista leaders stood fast, Luis Batlle talked of a constitutional amendment establishing a five-member Council composed entirely of members of one party. In August, 1956, his representatives approached Herrera with this plan, and were rebuffed. Herrera had returned to his long-standing position of favoring a single presidential officer. The Colorado party as a whole felt secure in its control of the government, however, since the election laws always had worked to its advantage.¹⁵⁷ The quincistas therefore allowed all proposals for constitutional change to be initiated by other parties.

The Blanco party, meantime, underwent a number of changes of both organization and attitude. The 1954 election proved the Independent Blancos no longer to be a viable party.¹⁵⁸ The group was joined by other independent splinters of the middle to right, and the *Unión Blanca Democrática* (UBD—Democratic White Union) was formed on October 16, 1956. It was registered as a sublema of the Blanco lema. Its members were aware that under the electoral laws their votes could help put herreristas in the NCG. This was a calculated risk, however, since by becoming the most-voted sublema they use the law to their own advantage. They were aware that if they did nothing the herreristas probably would win two of the minority bloc of three NCG seats anyway, as had occurred in 1950 and 1954.

The UBD's optimism was reflected by herrerista pessimism. Since Herrera had served in the Council from 1955 to 1958, he was ineligible for office, and it was generally believed this would weaken his party's chances. Anxious to retain control of the Blanco party, however, Herrera opened negotiations with the *Liga Federal de Acción Rural* (LFAR—The Federal League for Rural Action or *ruralistas*). The LFAR was a relatively new rural-based group led by Benito Nardone, whose record for opportunism easily matched that of Herrera himself.

The ruralists had supported Luis Batlle in the 1954 election. Nardone switched to Herrera, however, under the cover of an agreement, which was signed on July 7, 1956, to support a constitutional reform plan. Herrera was not sure of his man, but since other rightist elements also joined in the agreement, he felt he would be able to retain control.¹⁵⁹ Among the signers was Eduardo Víctor Haedo, who had been with Herrera in accepting Hitlerite and *Peronista* aid during the second world war and afterward, but who had broken with the *caudillo* in 1953 to seek his own fortune in the 1954 elections. Haedo was regarded generally as a counter-weight to Nardone.

The herrerista constitutional reform proposal was countered by a plan offered by the *Unión Cívica* (Catholic) party which, disconcertingly, was

given the support of the Communist party. The Herrera-Nardone agreement was able to divert some public attention from the UBD, for although several of the component elements of the UBD had talked of constitutional change, they had not produced a plan. The election campaign therefore was confused by the presence of the two constitutional reform proposals, which were to be voted for on separate plebiscitary ballots, and by lists of candidates who would be elected to serve in case either of the reforms actually was accepted. In addition, there was an all-time record of 368 lists of candidates in the country as a whole,¹⁶⁰ and many of these latter lists were different from the former, tentative, lists.¹⁶¹

The Blanco maneuvering had been little more than a smokescreen to conceal Herrera's fight for survival. To the confusion was added the cumulative effects of the serious inflationary spiral. The individual parties and their factions had difficulty filling out their lists of candidates because of the confusion, and although the campaign began about ten weeks before the election date, in many cases the lists of candidates were not completed until the last day for filing. The situation remained fluid until the end of the campaign. Nardone adopted the candidly opportunistic slogan, "If you can't arrive at power by the front door, go in the back", while the UBD stated more truthfully, "The alternatives are clear: either the UBD wins or all remains as it is". In general, the slogans were negative, and many votes were cast in that atmosphere.¹⁶² A finding by a private polling organization, the first that had ever been conducted regarding an election in the country, that the UBD would win a plurality in Montevideo, generally was rejected out of hand as both erroneous and possibly biased.¹⁶³

The errors in the poll reports unexpectedly turned out to be underestimations of the size of the Blanco victory and of Nardone's strength. Had the original calculations been correct, not only would the UBD have swept Montevideo—as it did, in fact—but its Montevideo lead would have been large enough to assure the group control of the 6 member NCG majority.¹⁶⁴ The first day's returns suggested such a victory, and celebrations occurred all over town. Later reports from the country produced UBD gloom and herrerista-ruralista joy, and the victory celebrations were repeated by the different participants. The Colorados were stunned, but recovered enough to point out that the results proved the honesty of the electoral process and the independence of the voters. A short-lived scare that Colorado military men would seek to prevent the inauguration of a Blanco government was proved to be the product of the fertile imagination of a Blanco newspaperman,¹⁶⁵ and the inauguration of the Herrera-Nardone-controlled NCG took place on schedule on March 1, 1959.¹⁶⁶

The inherent weakness of the coalition became apparent immediately after the election. The winning list was organized out of disparate elements.¹⁶⁷ It won only a plurality of Blanco votes, and the Blancos, in turn, won only a plurality of the total vote cast.¹⁶⁸ Nardone had not expected more than a seat in the NCG minority; on this basis he had offered no candidates for the General Assembly. With victory he now would become one of the decision-makers, and President of the Republic for the second year of the government, 1960-1961, and he meant to exact a price for his participation. He claimed, with justification, that his votes had

tipped the victory to Herrera. When Herrera refused to acquiesce in his demands for patronage, he sent representatives to Luis Batlle to propose that Batlle combine his two Councillors with Nardone's own two followers to establish a five-man majority capable of controlling the NCG. Batlle rejected the proposal.¹⁶⁹

On the other hand, the UBD, with no representatives in the NCG, still held 25 Deputies to Herrera's 24, and 8 Senators to Herrera's 9.¹⁷⁰ If Herrera were to make his leadership effective through his NCG majority bloc, he would have to make peace with both the UBD and the LFAR. The two groups were extremely antagonistic to each other, however, and spent much of the period up to the inauguration at each others' throats. And of course, since the Blancos had not expected to win, there was no established policy. An acquaintance summed up the dilemma in a remark to this writer, "Unfortunately, we won!"

It was very difficult to organize a cabinet. Conversations were begun immediately after the election, and progressed from crisis to crisis until inauguration day. Necessity brought about the uneasy marriage of convenience which was consummated by an ambiguous written agreement only minutes before the actual swearing-in ceremony.¹⁷¹ The passing of Herrera on April 8th, after a short illness, opened the entire matter to more maneuver. Herrera's personal followers attempted to maintain control of the situation by circulating the later unfounded rumor that the caudillo had left a last political testament. Nardone attempted to oust the UBD from the coalition, and thus to benefit personally from the event. But necessity still controlled, and the uneasy peace of March remained until this writing.

The constitutional and political system in 1960

The Council executive as proposed by José Batlle was expected to reduce the importance of personality in politics and to reinforce the position of the parties. The parties therefore would assume responsibility for policy definition and enactment. This has occurred to a degree. There is good evidence that the government budget for the quadrennium 1960-1964 was the work of the Blanco party leadership as a whole, playing the role of conciliator of interests as well as motivator of legislative and executive acts, rather than of the Councillors or legislators acting in their constitutional capacities.¹⁷² The burden thus placed on the party leadership elements is heavy, both because there is comparatively little precedent and experience concerning such activity, and because each petty caudillo is able to gather around himself a group of followers hopeful of obtaining some of the spoils of office and of the ability to participate in decision-making. The NCG also has been released from responsibility to enjoy the luxury of concerning itself with everything, so that titular government leaders are not responsible officials but rather persons apparently concerned with playing "oneupmanship" with each other.¹⁷³ It is true that participation in the Council has tended to reduce to their proper dimensions such would-be caudillos as Luis Batlle. By the same token, the dead weight of machinery and vested interest make it impossible to determine if a Nardone would offer real solutions to Uruguay's problems or mere demagogic irrationality.

José Batlle's view that the government should assume responsibility for the well-being and personal improvement of those in need of aid, has been supplanted by the argument that the government should subsidize the living level of all, regardless of need. In 1960, a member of the Government Accounts Tribunal, the body charged with both pre- and post-auditing, as well as with supervision of prices charged for their services by government businesses, remarked that he considered the establishment of remunerative prices unwise. A "political" price should be charged. The duty of the State's enterprises is not to operate efficiently or to show a profit.¹⁷⁴ And as against the view that all Uruguayans have a right to a government job, many political leaders appear to feel that conjecture regarding the government's need for additional employees is irrelevant.¹⁷⁵

Under José Batlle's influence the Pact of the Parties, which had already made its appearance, was raised from the level of expediency to one of virtue. It was not so much that Batlle had initially planned the development, but rather that the pacts made it possible for each stubborn caudillo to obtain something of his ambitions. In the long run, each individual gained, although the nation as a whole lost.

The 1960s, therefore, witness in Uruguay a political and constitutional style which can be characterized best, perhaps, as "baroque". The country has placed great value on a reasonable solution to each complex problem. But since the custom appears to be that no person or interest ever is wiped out, the solutions developed become progressively more complex until they become ends in themselves. By the beginning of the 1960s, it did not seem that solutions really were being sought any more—only accommodations. Small wonder that even eminently rational people were talking of the desirability of a *coup* by a strong man! It seemed somehow that in 1960 the stage was set for an entrance, and that the audience waited breathlessly, in mixed fear and anticipation, to see if he would be hero or villain.

CHAPTER III

ELECTIONS, POLITICAL PARTIES, AND INTEREST GROUPS: FREEDOM OR LICENSE?

Uruguay is regarded as a country in which political freedoms probably exist at or near the world's highest level. It is said that elections are honestly conducted, that it is easy to qualify or to hold office, and that the dignity of the individual is respected in all walks of life, as surely as these modes of behavior are observed in any country of the world. It is claimed often that the limits on human ingenuity and capacity are as few as in many much better-developed countries, and that Uruguayans are, in fact, among the freest people in the world except, perhaps, in the area of economic choice.¹ If all of these statements are true—as they are, generally speaking—it is largely because of a remarkable political and electoral system. The foreign observer is struck, however, by the evident fact that this nearly ideal system is flawed in many ways by what seems not to be freedom but license, and that consequently there seems to exist an imbalance which makes the entire social and economic structure subject to the whims of mediocrity and to the demands of an infinity of special interests.

Basic considerations of politics

There seem to be too many parties and party factions in Uruguay, particularly in view of the country's rather small size and population, if representation of genuinely differentiated viewpoints or interests is the criterion. Fundamentally, there are almost as many organized interests as would exist in more diversified nations. Second, the election law seems to breed parties and factions at election time as rapidly as a chain reaction, by its permissive attitudes toward the organization of parties, and its guarantees of the integrity of the voting process. A third reason lies in the climate of opinion and thought of the country itself, for it appears somehow that everybody feels he has a right to organize a political party or to run for public office, on the ground that he is discontented with the candidacies which have been announced. Obviously, failure at the polls marks the end of almost all such attempts, but an occasional die-hard group or personality appears, and confounds the cynics.² Additionally, necessity dictates that once the legislature has begun its meetings, elected members cooperate much as in any other legislature.

An important contributing reason for the durability of the multi-party system is the existence of at least one newspaper for nearly every permanent party or sublema. All newspapers receive subsidies from the government.³ The highly partisan Montevideo press gives an identity and status to the more established political groups with which new or minor groups find it hard to compete.⁴ The serious citizen must read several newspapers daily in order to understand the shape of current issues, since no newspaper is objective and the level of journalistic practices occasionally leaves much to be desired.

The older parties, especially those which have been divided and subdivided by group or personal interests, attempt to maintain voter loyalty by an elaborate system of neighborhood clubs. These political centers become social, fraternal, and cultural locales as well, and the more active clubhouse may daily be the meeting place of several organizations of party members. Often a voter goes to the local club official to get help in obtaining a pension due according to law but not yet initiated because of red tape, a government job, or an interview with one's legislative or Departmental representative. During the noisy and prolonged campaigns the individual clubhouse becomes a propaganda center, and demonstrations and publications appear often on behalf of the candidates supported by the individual centers.

Political campaigns in Uruguay normally are almost excessively open, noisy, and bothersome. In a country which welcomes almost any excuse for not maintaining business hours, elections simply offer another excuse. Every organizational and candidate decision of the campaign is announced in newspapers, with the partisan position of a publication determining the tone of its interpretation. Soundtrucks and throwaways are in common use in Montevideo throughout the year for almost any purpose, and as the election date approaches their use is on an around-the-clock basis. The statement is only slightly less true for the cities of the interior. The streets are literally paved with throwaways, and the walls of almost all buildings facing on major streets are plastered with posters, whether or not the proprietors have posted signs trying to prohibit it. The political clubs, unions, trade associations, and numerous ad hoc groups stage demonstrations, which vary from speeches on streetcorners, complete with banners and flags, to small parades. The party clubs are in the thick of all this.

Party clubs are not completely extra-legal. The elections laws designate them as the proper authorities for nominating polls watchers and precinct panel members for their precincts. In normal circumstances, their nominations are approved by the legal appointing authorities, the Departmental Electoral *Juntas*.⁵

The tide of partisanship within the major parties, as well as between them, rises and falls as circumstances and personalities warrant. A club which has been loyal to its party through several elections may decide to make a minor breakaway, and organize its own list or slate of candidates for the election at hand, while remaining within its party. One which feels greater discontent with the slates may make a more complete break, and join another party. This fluidity, which permits a continuity of local interest or identification, occasionally at the expense of the parent party, is facilitated by the elections laws, which provide not only that all votes cast for the various slates within a party will accumulate in support of the candidates of the leading slate, but also that the sponsors of all legally registered lists of candidates will be allowed a subsidy to help meet their costs. As will be seen, the situation has become a good deal more fluid in recent years, often with invidious results.

An obvious result of the highly politicized atmosphere implied by the foregoing is the use of a political vocabulary and style which is more violent than facts and acts really warrant. It seems implicit that voters are not

relied on to adopt or maintain a position unless spokesmen have stated their positions in somewhat extreme language. This style is not alarming to the average Uruguayan, however, perhaps because there is so much of it. It is not unusual for antagonists in legislative sessions to nod amiably to each other a short time later at *El Aguila*, Montevideo's leading downtown noon restaurant, or chat quietly at a social gathering under a neutral roof.

The electoral laws as bases for complexity

The election laws of Uruguay support an almost incredibly complex system. It is, however, thoroughly honest in a technical sense, and is regarded by most students of government, as well as by casual observers, as operated with full faith and credit to the laws. The entire process is supervised by an Electoral Court, an autonomous quasi-judicial body of nine members. Its members are obligated to be as apolitical in their behavior and attitudes as possible, and the majority of five "should be citizens who, by their position in the political scene, [can act as] guarantors of impartiality"⁶ Apart from its duties in supervising the naturalization process, and the certification of native-born Uruguayans as citizens,⁷ the Court supervises Departmental Electoral *Juntas* (Boards) in each of the country's 19 territorial subdivisions. The Court was established by the Elections Law of 1924,⁸ although the *Juntas* were established in 1887.⁹ The Court supervises a National Elections Office; it establishes administrative standards and procedures concerning voter registration, citizenship, and elections themselves, pursuant to law, and issues regulations concerning their fulfillment. Each of the *Juntas* supervises a Departmental Elections Office, and performs parallel duties within its territory. Each office, national and Departmental, maintains archives containing records of all elections held in its jurisdiction.¹⁰

The court and *Juntas* receive petitions for the official registration of "permanent parties" during the regular registration period for voters, and are empowered to grant or withhold legal recognition,¹¹ After the termination of this period, "accidental parties" may still be registered by any 50 registered citizen voters, not later than 30 days prior to the election.¹² "For the purposes of the present law it will be understood that 'lema' is the denomination of a political party in all electoral acts and proceedings; 'sublema' is the denomination of a fraction of a party in all electoral acts and proceedings."¹³ Once the party has been registered, the lema or title of the party becomes the exclusive property of the majority of its members.¹⁴ The party acquires a legal personality and is required to file copies of its charter or statutes, and lists of the members of its governing board—which must have at least seven members—with the National Council of Government. The party's governing board holds title to all properties owned by the party, which are substantial in the case of the older parties, since they include buildings, newspapers, and clubhouses; it must meet the terms of laws establishing fiscal accountability.¹⁵ The boards are the recognized authorities for certifying party observers who exercise surveillance over the operations of the Court and the *Juntas*, as well as over the entire election process,¹⁶ and certify members of their parties for appointment to the civil service jobs under the Court and *Juntas*.¹⁷

The politicization of the electoral process is obvious, granted the manner in which it works. One writer has commented:

A pact [in 1923] created the Electoral Court . . . a pact which deals . . . between the *nacionalismo* which aspired to a neutral justice and the *batillismo* which wanted partisan delegates subject to removal and replacement; a pact of compensation, as a guarantee, of several positions for the parties. The unfortunate conflict over the placing of neutrals in the Electoral Court resolved itself in a pact which provided the basis for a number of laws, and in the course of whose development Dr. Herrera wanted to impose as a price of electoral guarantees the law which . . . granted to the representatives of the Nacional party positions in the public administration in accord with its voting strength.¹⁸

It may therefore be assumed by the casual observer that fraud is common, since in some general respects Uruguay appears typical of the fraud-ridden political systems of the area of which it is a part. The facts are otherwise. The legal guarantees of free and uncoerced elections are impressive,¹⁹ and this writer knows of no evidence to support the contention that they are not effective generally.

The government commits itself to give financial support to the campaigns of the political organizations.²⁰ In preparation for the 1958 election, for example, the General Assembly voted 5,000,000 pesos to the Electoral Court for distribution among the parties on the basis of the votes which they received. Since 1,005,362 valid votes were recognized to have been cast, the payments, at 4.973 pesos per vote, ranged from a high of 1,203,242.97 pesos to the *herrerista* Blancos to 258.61 pesos each to the *Partido Laborista* and the *Frente Obrero Sindical*, each of which had received 52 votes.²¹ No official figures have ever been announced on gross party campaign expenditures. The payments are intended, under the appropriations laws, to compensate the parties for printing their ballots, the size, color of ink, and lay-out of which are specified within certain limits by the Court.²² The parties register their candidates for elective office by presenting copies of the printed ballots to the Court, or to the appropriate Junta in the case of Departmental slates, not less than 20 days prior to the election for national candidates, and 15 days for Departmental candidates.²³ The parties also are obligated to provide each polling place with enough ballots for the expected vote.²⁴

Beyond these requirements, the parties may print as many ballots as they wish; they become one of many campaign devices, and are distributed widely. Normally, they are folded and placed in envelopes identical in size with the official envelope in which voters will cast their legal votes on election day. Because the ballots are available so generally, voting is expedited. The voter usually has a copy of his preferred ballot in his pocket when he enters the polling place, and does not need to spend much time in the "secret room" containing the tables on which are placed stacks of the ballots of the competing political groups.

The voters of Uruguay are almost entirely citizens of the age of 18 years or more who are not enlisted soldiers or sailors, are not mentally incapacitated, or are not criminals undergoing penitentiary sentences. Three months' continuous residence in the Uruguayan territory is required prior to registration for citizens.²⁵ The registration lists are open to applicants 38 months out of every 48.²⁶ Voters are issued small leatherbound

booklets containing their photographs, physical description, and fingerprints. The photographs must be re-taken periodically in order to maintain registration.²⁷ The country is divided into 20 electoral divisions, each of them coterminous with Departmental boundaries except Montevideo, which contains two. Two months prior to the date of an election, a complete list of all persons eligible to vote is prepared for the Court by the Juntas, and in turn this is published in the form of wall posters to be displayed in public places in the respective precincts; it is also published in a comprehensive pamphlet by the Court for the use of all election officials.²⁸ Voting is not compulsory.²⁹

The three-member precinct boards are composed of registered voters; they are appointed by the Juntas at least 20 days before the election.³⁰ They include representatives of at least two political parties, and are assisted by actuaries who are selected from among regular civilian employees of the government for this special one-day duty.³¹ On election day the boards meet between 7:00 a.m. and 7:30 a.m. and are provided with all necessary documentation and materials for the voting day which begins at 8:00 a.m. and ends at 6:00 p.m.³² The boards make a preliminary vote count after the polls close,³³ seal up the ballot box with the packaged votes inside,³⁴ and send them to the Departmental Juntas for canvassing.³⁵

The Juntas pass preliminary judgments on all elections, canvass all challenged votes and votes cast in the special precinct offices for persons voting outside their officially-assigned electoral division, and announce the apparent winners.³⁶ The votes are canvassed further by the Court when necessary, and challenges are considered in meetings which are attended by the representatives of all interested parties.³⁷ Final adjudication of seats in the Chamber of Representatives is made, and some seats usually are awarded on an inter-Departmental basis through a process which permits the unapplied votes in one Department to be used for the election of a candidate in another Department. This procedure is of special benefit to the minor parties which often do not receive a large enough vote in any one Department to control a legislative seat.³⁸ The Court is competent to suspend the results of an election pending investigation, and may call a new election if the evidence warrants.³⁹ The Court has the highest appeals jurisdiction in all election matters, including the election of members of the General Assembly and the National Council of Government, under the 1952 constitution.⁴⁰ There have been no cases of nullified elections under the 1952 constitution.

Variations on the central theme: the practice of law

The complexity of the party and election process arises from provisions based on those so far cited. The election system is founded on the principle of Proportional Representation (PR), and everything possible is done to further the implicit notion that there should be no limits on organizational freedom. Parties or lemas are divided at least into sublemas, and in the larger Departments the sublemas are divided into *tendencias* (tendencies) as well. The individual tendencies achieve legal recognition by presenting their own slates of candidates to the appropriate Juntas, while at the same time adopting the national candidates of a lema or sublema.

Since the law provides that votes for lists or slates shall be accumulated within sublemas, and that the votes of the sublemas shall also accumulate within a lema, there is no risk that this splintering at the lower level will give victory accidentally to the opposition.⁴¹

Under any other circumstances, these various groups would be forced either to accommodate themselves to the decisions of the parent parties, or to make a complete break, as was done at the Presidential level (but not at the Congressional level) by the "Dixiecrats" in the 1948 United States election. The sublema is an intermediate position, since such an organization is comparatively permanent, has its own executive committee, usually has its own newspaper, and often has its own quasi-ideology. The party therefore becomes a confederation, and meetings of lema executive committees often are conducted as if they were diplomatic negotiations. For all practical purposes, the legislative cooperation of sublemas within a given lema may be based more on mutual organizational interest than on mutually supported viewpoints; this becomes more obvious in moments of tension.

At all levels, these arrangements produce a multiplicity of slates. In both the 1954 and 1958 elections, for example, there were three Blanco slates of candidates for the NCG as well as three Colorado slates. In addition, running as independent slates whose votes would not accumulate to the benefit of either major party, in both elections there were Socialists, Communists, and Catholics (*Unión Cívica*). In the 1954 election there also were the Independent Blancos, who disappeared into the Blanco party's UBD sublema in 1956, and two tiny leftist splinter parties. In 1958, there were six ad hoc splinter parties, each with a full slate of candidates for the NCG, two of which were composed of disaffected conservative Colorados which had not chosen to join the ruralists led by Benito Nardone, and which received substantial numbers of votes. In all, there were 72 candidates for the Executive Council in 1954 and 84 in 1958.⁴² Within the major parties, however, most of the major sublemas have now achieved a degree of stability in viewpoint and organization, so that for practical purposes there are several Colorado parties, as well as several Blanco parties, competing as semi-friendly enemies.

Prior to 1939, there was no limit on the number of distinct ballots on which the candidates belonging to a single slate could appear; there could be individual ballots for each office and at each territorial level. In 1939, it was provided that all candidates in a slate would be listed on a single ballot, unless the executive committee of the group decided to offer its national executive candidates on one ballot and all others on a second.⁴³ The 1942 constitution modified the arrangement by providing that Departmental and local candidates for a slate would appear on one ballot and national candidates on another.⁴⁴ The 1952 constitution reverts to a single ballot for each slate without any variation. The rule prohibits split ticket voting, in an attempt to minimize the effect of the development of tendencies and sublemas, and also seeks to decrease the number of different lists of national candidates. Nothing is said concerning the number of slates which might be offered at the local level.⁴⁵ Additionally, article 79 of the 1951 constitution facilitates the reunification of political groups which were unified in the past but which later split either into separate sublemas or separate lemas.⁴⁶

In spite of this complexity, a certain order is maintained by the use of numbers to identify the ballots. Initially, the Court and Juntas assigned either letters or numbers to lists in *serialim*. A decree-law by the de facto government after the Baldomir coup of 1942 provided that a political group could reserve a number which it had used previously, provided it gave 50 days' warning of its desire to the appropriate Junta or to the Court.⁴⁷ The intent clearly was to establish an association in the minds of voters between a number and the lema, sublema, or tendency which uses it regularly. Consequently, beginning with the 1938 election, certain numbers became as well-known as the legal names of political groups. "14" is the more traditional Batllista sublema, "15" is the Luis Batlle sublema, and "51" is the list of the dominant Montevideo politician, Daniel Fernández Crespo. The numbering system gradually has become a uniform identifying system throughout the country, and it was carried to its logical extreme in 1958. The numbers "14" and "15" appeared in nearly all Departments, and the tendencies of these sublemas appeared with some variation on the basic numbers. In Maldonado, for example, there were numbers 14, 114, 214, 314, 414, 614, and 1214, as well as 15 and 115. In Montevideo the numbers were 114, 214, 614, 914, 1214, 1414, 1814, 2014, 6514, and 7714, as well as 15 and 115. The Blanco use of numbers never has been as systematic but numbers below 10 usually indicate an herrerista list. Socialists throughout the country use "90", Communists are "63", and Catholics "80".

The number of voters per precinct is comparatively small. In 1954 there were 3,865 regular polling places for 1,295,502 registered voters, for an average of 337 voters per precinct. In addition, there were 287 special polling places for registered voters voting outside their assigned precincts. These latter votes, as well as any cast by persons whose identification papers were not in order for any reason, were challenged, and the challenges resolved by the canvassing boards.⁴⁸ In 1958, there were 5,536 regular polling places for 1,410,105 registered voters, or one per 255 voters, and an additional 292 special polling places. The result was that of the total of 879,242 votes finally reported as cast in the 1954 election, 766,057 valid votes and 65,538 challenged votes had been reported by 3 a.m. of the morning of the next day, and few legislative seats remained in doubt.⁴⁹ The final results in 1958 were announced more slowly, since the rather close race between the UBD and the Herrera-Nardone sublemas led to see-sawing which was not resolved for two days.

On the whole, the mechanics of the election system operate so effectively that they do not impede the free development of parties and party subdivisions. It has been argued that the country would be better off if this were not the case.⁵⁰ Before final judgement is passed, however, it will be useful to examine the actual results on the parties themselves and on public policies, in recent years.

Political parties: the "ideological" parties

There are three small permanent parties which, taken together, normally poll less than 10% of the total vote. They are the Catholic (Unión Cívica), Socialist and Communist parties. The Socialists and Communists talk principally in terms of class struggle and foreign imperialism—which,

in recent years, always has been prefixed by "yanqui". These two parties have remained separate from each other since the breakaway of the latter in 1921, up to this writing. Each party has its own newspaper. *El Sol*, the Socialist daily, is distinguished by the sensational nature of its reporting. *El Popular*, the Communist daily, is distinguished by the roller-coaster (and, this writer suspects, deliberately crude) nature of its typography; it is thoroughly party-line in every respect. In 1956, obeying the current Moscow line, the Communist party began approaches to unity with the Socialists. By 1960 it reportedly had achieved modest success, although it would be necessary to split the Socialists' highly respected and experienced leader, Emilio Frugoni, away from the main body in order to accomplish it.⁵¹

The Socialist movement first appeared in Uruguay when Esteban Echevarría, a native Uruguayan, returned to Montevideo from study in France. In 1837, he published *La Dogma Socialista*, and organized *la Sociedad de Mayo* in order to further his utopian ideas concerning property and labor.⁵² The first labor union, of newspaper typographers, did not appear until 1865. With the accelerated arrival of immigrants from among the French, Italian and Spanish laboring classes, and the organization of the First Socialist International, the Uruguayan section of the movement appeared in 1875, together with the first union federation. The varying results of numerous strikes for improved working conditions led to the organization of a fundamentally anarcho-syndicalist movement in 1905, the *Federación Obrera Regional Uruguaya*; in this case, the port workers' union took the initiative.

During much of this period the socialist and labor movement was essentially lower-class in leadership and concern. Intellectual leftists in the middle and upper classes remained idealists. In 1898, however, the *Centro Internacional de Estudios Sociales* was organized. It was intended to be an intellectual center, as well as a center for agitation, and remained open until 1930. In 1904 the *Centro Carlos Marx* was organized by Emilio Frugoni, and in 1910 the Socialist party was organized under his leadership. A strong incentive for this action was found in the abstention of the Blancos from the legislative election of 1910. The Colorados, who controlled both the Presidency and an undoubted majority of the legislature, made it known that the minor political groups and tendencies would probably receive seats if they offered candidates. In the last week before the election, the Socialists joined with an unorganized group of liberals, and received two seats in the Chamber of Representatives.⁵³

After the return of the Blancos to participation in elections, the Socialists retained their legislative seats,⁵⁴ and also received two seats in the Constitutional Convention of 1916.⁵⁵ In the 1915 election for the General Assembly, the Socialists again received two seats.⁵⁶ At the end of the first world war the rise of the Soviet Union brought about a split within the party, however, when the Third International was organized. The two quarreling elements lived together until the party's convention of April, 1921. The break came when the majority of delegates voted to join the Comintern on rather rigid terms which it laid down. Frugoni led his group out of the party and resigned his seat in the Chamber of Representatives.⁵⁷ The 1922 elections gave the Communist party 3,179 votes to the Socialists' 997.⁵⁸ The 1925 elections produced some increase in the strength of both

parties,⁵⁹ but the Socialists did not begin to recover the ground lost to the Communists until the 1928 election, when each received one seat.⁶⁰ Since that time the strength of the two parties has see-sawed, with neither holding a permanent advantage over the other.⁶¹

The Communist party is thoroughly controlled by the international Soviet position, but Uruguay's climate of freedom of political action and the maintenance of diplomatic relations with the Soviet Union most of the time since the Russian Revolution of 1917⁶² have allowed the party to operate in nearly any way it wishes. From time to time Montevideo has been described as the South American center of international communist activity, and interviews indicated that the party's funds largely came from outside the hemisphere.⁶³ The party's labor activities are intensive, and the organization, beginning in December, 1955, of the *Central Unica del Trabajo*, to replace another labor federation which had slipped from the party's control, indicated continued interest and effort in this field.⁶⁴

Questioning of a representative sample of Uruguayans revealed that just after the Hungarian revolt of 1956 only 6 % of the respondents thought the Soviet Union was not a danger to the free world.⁶⁵ The Communist party of Uruguay was affected by this belief, interviews indicated. Yet the serious inflation since that time, plus the combination of undoubted anti-United States sentiment together with sympathy for the Cuban government led by Dr. Fidel Castro, made it possible in 1960 for the party to obtain willing allies among students, some labor unions, and pensioners whose incomes now are totally inadequate, and to put demonstrations of as many as 5,000 people into the street on almost any occasion. The facile denigration of the party made by past foreign observers no longer seems quite as justified, and repressive acts against the party in late 1960 and early 1961 by the Uruguayan authorities seemed to indicate mounting concern for its present and possible future strength.⁶⁶

The Socialist party commands the support of a large number of professionals and intellectuals, and during most of its history has been regarded as well within the country's democratic tradition. It demonstrated repeatedly in 1960 that for almost any issue it could obtain the signature of several hundred members of the faculties of the University of Montevideo and the Secondary Schools. It is very modestly supported from locally available funds, and receives some from abroad as the headquarters group for the Latin American secretariat of the Second International.⁶⁷ The party has never achieved major electoral standing for the obvious reason that José Batlle enacted policies which were virtually identical in effect, if not in theory, with moderate socialism.⁶⁸

The Unión Cívica party, which was founded in 1872, reflects the socially liberal views of the European Christian Democratic parties, although it has begun to swing over to the attempt to define a "third position", which is neither capitalist nor communist, but communitarian in regard to labor-management relations and property ownership, and which is typified by recent publications and speeches by spokesmen for the Chilean and Peruvian Christian Democratic parties.⁶⁹ The party and Church publish the oldest, and what is generally regarded as the best, newspaper in the country. *El Bien Público* makes up for certain stoginess of approach by integrity in

reporting and analysis of political and economic events. The permanently minor following of the party, and the fundamentally anti-clerical national ideology of the country, assure that it will never gain control. The cynic might therefore remark that the paper can afford to be unbiased.⁷⁰ The party always has been concerned with the welfare of rural Uruguay, and has made concrete legislative contributions to the comparatively few sound policies which have been adopted in that field.⁷¹ The disestablishment of the Church in 1919, and the overriding antagonism of the Colorado party to clerical influence in any phase of life, have conditioned the Church to what is today a comparatively mild view of nearly all matters.⁷²

Political parties: the major parties

It is as difficult to be specific about the positions of the two larger parties in Uruguay as it is to be so about Republicans and Democrats.⁷³ Generally speaking, the Blancos have been more conservative than the Colorados on economic and social issues. They are not generally strong anti-Clerics, and tend to represent rural interests and larger urban fortunes based, at least originally, on agriculture. Therefore, they have sought tax and foreign trade policies which would support these interests, as well as agricultural development policies which would favor large rather than small agriculture. They have been successful in regard to domestic tax policies; the country had no tax on earned personal income until the adoption of the 1960 budget, other than an excess profits tax which bore on industry and business, and the burden of financing government expenditures generally has been met in large part by excises and similar charges on consumers. The Blancos also have been able to channel recent large-scale economic aid to agriculture to the big estates, rather than to the small farmers, and were able even to obtain a United Nations specialized organization's ratification of this policy in 1960.⁷⁴ They have been notably unsuccessful in their tax preferences bearing on international trade, however, and an enormous share of government income comes from export taxes and the manipulation of foreign exchange earnings by the central bank. Some Blanco factions have been vigorously nationalistic, and often fascist in their attitudes. Herrera alienated substantial portions of his following by open admiration for and affiliation with Adolph Hitler, Francisco Franco, and Juan Perón in their respective seasons. The party occasionally has taken quite extreme positions against the United States and Great Britain.⁷⁵ Its electoral victory in 1958, with the resulting obligation of maintaining friendly relations with the United States, produced a degree of trauma in some of the more extreme sectors of the party in 1959 and 1960.⁷⁶ The party's newspaper, *El Debate*, may very well have ranked among the more scurrilous in the world prior to the electoral victory of 1958. Its new eminence as semi-official spokesman for the government has caused it some difficulty of conscience, but it is still safely partisan in all the invidious or non-beneficial senses of that word. All of this seems clear enough, but it describes only one sector of the party. The freedom with which political groups may be formed in recent years has given identity to groups not at all sympathetic with the nationalist-conservative position. As will be seen, the new Blanco group, the Unión Blanca Democrática, is substantially more liberal and internationalist in its view.

The Colorados, who were also based originally on rural landowning interests, were transformed into a primarily urban middle and lower class-based party as the leadership made special efforts to appeal to immigrants who settled initially or permanently in the cities.⁷⁷ The pacts of the parties, which created territorial spheres of influence, had not only formulated this territorial division—and thus, inevitably, the contrasting social policy tendencies—but also had confirmed it. By the time José Batlle had completed the enactment of the first stages of his extended social program into law, the cities were regarded generally as securely Colorado.⁷⁸ For a number of reasons, both ideological and practical, the Colorados generally have been friendly to the United States. This has not prevented the Batllista sublema's spokesmen from taking highly nationalistic positions regarding foreign investment, regardless of its origin, however.⁷⁹ In 1960, Luis Batlle was beginning to assume anti-United States attitudes, perhaps for tactical reasons.⁸⁰

The Colorado party publishes more newspapers than any other political group. As the second oldest newspaper in the country, *El Día* remains the senior member of the team in influence on public opinion. It is a morning paper, and spoke authoritatively for the government for so many years that today, 12 years since it last occupied that position, it still speaks in self-consciously solemn tones. *Acción* was founded by Luis Batlle as an afternoon personal organ, in his struggle to gain control of the Batllista sublema. It always has been strident, but some self-control was exercised while its owner controlled the executive branch of the government. The current popular impression is that it is habitually so demagogic as to render calm discussion difficult.

The organization of opinion and interest: interest and pressure groups

Freedom of association is fundamental to liberty. The consequence is the existence of literally hundreds of special interest organizations, reflecting all types of economic, social, recreational or moral views. All of these have their own goals, which can be expressed in legislative terms, and legislators and bureaucrats at both national and departmental levels are exposed to unremitting pressures.

Agriculture.—The most effectively organized economically-based groups, in terms of legislative adoption of their suggestions, are the agricultural. The oldest is the *Asociación Rural*, which was organized in 1871; it is comparatively inactive in a political sense, and has indicated much interest in the breeding of improved strains of cattle and in the furtherance of the cattle and sheep industry. In a cultural and social sense it is of greater importance, however, since there is substantially more respect for it than for its competitors. It often speaks quietly but effectively in the name of rural traditions; its members are among the more prominent in Uruguayan social circles.⁸¹

The *Federación Rural* which was organized a few years later, is by far the best established and most militantly political agrarian organization in the country. It lobbies the political and administrative branches of the government quite actively, and its recent record of obtaining its legislative

propositions is excellent. Further, when the government has not acquiesced in its demands on price subsidies or marketing arrangements, it has been fully capable of fomenting mass law violation and attack on the nation's economy. Thus, in 1956 and 1957, it promoted actively a combination program of smuggling live cattle and wool to Brazil, where prices were higher than in the legal market of Montevideo, and boycotting the local wool market at a time when wool could have been exported at highly advantageous prices from Uruguay's point of view.⁸² The net cost to the national economy of these actions is difficult to estimate but it literally brought the country to the verge of bankruptcy. In 1960, when government policy regarding export taxes on wool ran counter to the organization's wishes, its spokesmen referred openly to the possibility of a repetition of the event; the threat produced policy more acceptable to them.

As against these two organizations, the *Liga Federal de Acción Rural*, which has come to the fore recently as Benito Nardone's personal political machine, is regarded both as a come-lately group of adventurers and as unrepresentative. Nardone's efforts to make inroads into the spheres of influence of the older groups have achieved modest success, but have created much antagonism.

Business.—Business interests also are well organized. Each type of business activity is organized into its own *gremio* or guild, and each of these takes positions when affected. The principal confederative groups are the *Cámara Nacional de Comercio* and the *Cámara Nacional de Industrias*, each of which has an executive committee which meets regularly to pronounce on matters of current and long range interest to its members.⁸³ These gremios came into existence as the result of the provisions of the law of November 12, 1943, which stated that wage contracts and working conditions would be established by tripartite Councils on Salaries. These contracts would be of two years' duration and collective in nature, and employer representatives would be appointed by employer gremios.⁸⁴ These organizations have been able to influence foreign trade policy particularly effectively.

Two exceptionally effective business lobby offices are the *Liga de Defensa Comercial* and the *Cámara Mercantil de los Productos del País*. Both are representational associations employing full time professional spokesmen as well as part-time managers. Informants reported their activities were carried on with regard both to the national and Departmental legislative and administrative personnel.⁸⁵

Banking.—A small and highly specialized organization, but none the less effective, is the *Asociación de Bancos*. There are only a few government banks⁸⁶ and a great many private ones,⁸⁷ but the association's membership includes them all. It is considered the management *gremio* for dealing with the union of bank employees, which has exhibited its strength frequently in strikes which have brought the country's commercial life nearly to a standstill.⁸⁸ The association is well-organized and financed, and performs a number of public functions. Its statistical publications are more comprehensive and authoritative than those of the government itself, in many cases.⁸⁹ It prepares a monthly index of living costs, because of the escalator clause in its contract with the employees' union. This is generally believed to be more accurate and realistic than that of the government's own statistical offices.⁹⁰

As an interest group it has followed policies regarding the organization, and maintenance of capital and reserves requirements, of private banks, which tend to play into the hands of the government banks and the older and better-established private banks. The result has been the maintenance of limits on lending capacity and capitalization which have curtailed sharply the elasticity of the private sector of the economy.⁹¹ Consequently, interest rates remain unnecessarily high, and those business firms which achieved their growth in the period prior to the second world war have been assured a virtually permanent place in the economy as against new competitors, because of the tightness of investment capital.

An instance of the joint action of business and agricultural groups occurred during the visit to Uruguay of United States President Dwight Eisenhower in early 1960. Following a claim regarding their contribution to the country's economy, they stated quite directly their dependence on the United States for future aid.⁹² *El Debate* supported their somewhat conditional welcome by a full-page front page editorial addressed to Eisenhower, which left no doubt that Uruguay's current friendliness to the United States is predicated on the expectation of continued favors. So that the point would not be missed, the editorial appeared in Spanish only on the general distribution issues of the paper; a special printing of 1,000 copies, in which the editorial was carried in an amateurish translation into English, was run off and supplied largely to the United States Embassy.

The business and agricultural groups join in the direction of financial and administrative matters of almost crucial importance to the country's economy. They designate most of the members of the honorary Control Commission of the Issue Department of the Banco de la República;⁹³ this body has complete control of the quantity of currency in circulation, and is theoretically free to make policy decisions independent of the expressed wishes of the NCG. These same groups participated in the membership of the Honorary Export and Import Control Commission, which apportioned available foreign exchange among all importers in the country. This Commission was virtually autonomous, and held life and death power over nearly all businesses in Uruguay prior to its demise in March, 1959.⁹⁴

Social groups.—About 30 % of all Uruguayans draw pensions from the government or have close relatives who do so. This is partly due to the generous provisions regarding early retirement, as well as to the survivors' benefits which are paid to widows, minor children, and close relatives of deceased pensioners. Because of this very large percentage, the interest politics of pensioners' groups assumes a characteristic all its own. Uruguayans are inclined to be comparatively generous to aging persons. 49 % feel that laborers should be able to retire at age 55 or less, and 82 % feel that they should have retired by age 60. 71 % of the population feels that pensioners do not receive enough on which to live comfortably, however,⁹⁵ and the result is unremitting pressure for higher payments. Associations of retired persons were organized independently of leftist influences, and remain free of them today for the most part. In recent years, however, inflation has led to vigorous demonstrations of discontent by these groups. All through 1960 it was common to see aged persons gathered in clusters around the entrance doors of the Legislative Palace, and often in the ante-rooms of the members of the NCG.

Labor unions are led by moderate leftists, for the most part, although all parties consider the labor vote a rich prize for which to compete. The result has been that of attributing much political effectiveness to unions and union leaders. Because of the broadly parallel goals of labor and pensioners, the two associations often have influenced the government to adopt legislation favorable to their views. Thus the government is committed to rather generous pension provisions, and to cash payments to workers on such occasions as discharge for causes other than the worker's own negligence;⁹⁷ family allowances; Christmas bonuses; and even in a few cases to workers who are the secondary victims of strikes. Further, labor, with the support of pensioners' groups, has obtained maximum hour and minimum wage legislation nearly every area of activity, and also the establishment of a program of unemployment pay to persons thrown out of work by business or industry-wide conditions.

Additional areas of joint activity by lower-income groups concern the establishment of a permanent government commitment to subsidize the living costs of the lower classes in Montevideo. After many years of effort they obtained the enactment of legislation systematizing the pensions program under a number of semi-autonomous pension funds (*Cajas de Jubilaciones y Pensiones*), and the establishment of the low-cost government housing agency, the *Instituto Nacional de Viviendas Económicas*. It is useful to note however, that nearly all of this special legislation has been directed toward the urban and suburban areas. Although 32% of all "interior" inhabitants are retired or closely related to retired persons,⁹⁷ the *Instituto de Colonización*, the government agency which is designed to solve the problems of land distribution and rural slums,⁹⁸ operates at a level which only scarcely justifies its existence.

Urban lower income groups therefore have been quite effective in broadening and extending the commitment of the government to social welfare. The amplified programs usually are administered ineptly, and commit the nation's economy beyond its capacity to pay. Legislation in the labor-management relations field infringes on both private and government management autonomy in innumerable ways. When management is able to pass the burden of compliance with labor's demands on to the general public, it usually acquiesces. When this is not possible, difficulty results. Therefore, although labor has been able to obtain legislation establishing tripartite negotiating boards for the establishment of biennial contracts, unions or management often seek relief from contracts with which they cannot live, for some reason, by means of political or extra-legal actions.⁹⁹

Conclusions.—Recent attempts by the government to meet the expectations of both labor and management have turned out badly. An attempt to fulfill union demands for uniform national legislation calling for a minimum 20-day paid annual vacation in a single period resulted in several postponements of the effectiveness of the law. The law finally was enacted in amended form, with the incorporation of some major changes proposed by employers, and the establishment of a joint advisory committee for establishing rules for its enforcement.¹⁰⁰ In 1960, on the other hand, the Blanco government proposed a rider to the *Ley de Ordenamiento Financiero* which established administrative norms for administration of the new

budget, which created a complete code for the regulation of labor union activities, prescribed their official registration with a new government mediation office, and provided procedures for the settlement of disputes with management. The rider was not voted, after many months of bitter controversy, some strikes, and many street demonstrations.¹⁰¹

It is evident that the government of Uruguay is unable to stand effectively against the demands of special interests. There are several reasons for this. The groups themselves are very well organized in most cases, with rather well-developed disciplinary policies concerning their own membership. The national tradition growing out of the series of pacts of the parties has made it impossible for most citizens to feel that the government represents an institutionalization of some overriding national interest, as against the more intimate special or group interest. The ease with which party groups form and dissolve leads logically to the conclusion that the parties—or at least some of their sublemas—are almost the properties of the more powerful interest groups.

Interest groups and their interaction with the government and with parties

The techniques employed by interest groups parallel those used in the United States in many respects. Spokesmen appear before legislative committees in executive session; open committee meetings are virtually unknown. Group spokesmen often submit lengthy written statements of position, with supporting materials.¹⁰² They seek support by newspapers for their policies, and often take paid advertisements in order to give wider publicity to the decisions of their executive bodies.¹⁰³ It is not unusual, because of the small territorial size of the country, for regional interest groups to send delegations of their members to lobby the legislators; groups representing pensioners, small farmers, or unions have felt traditionally that quiet assemblies on the steps of the Legislative Palace could be effective at almost any time.

Social lobbying is a favored device, and almost universally employed.¹⁰⁴ Informants felt quite certain that some legislators are open to money payments, and it was felt that this practice was more prevalent in 1960 than in past years because of mounting inflation. Obvious corruption is precluded in most cases, however, because the country is genuinely not much more than a "City-State"—an expression which is favored by many sophisticated Uruguayans—and political gossip moves rapidly. At the same time, informants generally did not feel that lobby influences on the positions of legislators or executive officers could be too direct, nor vote-switching too rapid. It was pointed out that a great many wealthy men go into politics, in large part because of the lack of business opportunities in the country's truncated economy.¹⁰⁵ Such men are neither as likely to be impressed by social lobbying as would be persons of more modest background, nor are they as likely to be accessible exclusively to lower-income groups.

No genuinely informed respondent was willing to equate the Blanco party with large agriculture and vested business interests, or the Colorado party with unions and lower-income groups, although this is the popular impression of the parties. Luis Batlle's propaganda in 1960, as well as that

of Communists and Socialists, was distinctly intended to identify the Blancos with wealth. The conservative economic reforms of 1958-1960, although absolutely essential to the well-being of the country, were attacked in these terms.¹⁰⁶ The Blancos' support of the labor control bill, which was a rider on the 1960 budget, did not endear them with the lower classes. On the other hand, the Colorado party's ranks contain many wealthy persons in agricultural and business fields. The party's fumbling but revealing efforts to please all sides on the vacation-with-pay issue in 1956 probably did more to injure it than to help, in preparation for the 1958 election. It is clear that organized labor has been alienated in part by the almost dogmatic views of César Batlle's quatorcistas.

While the major parties have not attempted to affiliate themselves on a permanent basis with specific interests, with the exception of Luis Batlle's quincistas, Benito Nardone's ruralistas have tried to give the distinct impression that unions would be better off with Nardone. So far Nardone has had little success. The real gain in regard to the lower classes appears to have been made by the "ideological" parties, especially the Communists and Socialists. Continued inflation explains a good deal about this "available mass", although it must be noted that the Communist party, in particular, has held periodic open-air mass meetings designed to appeal to the lower classes for many years.¹⁰⁷ The beginnings of a break-through seemed to appear in 1960, however, under the conditions which prevailed; the feeling of belonging to an ordered and socially-aware national community, which had assured labor and lower-class peace for many years, was beginning to disappear.¹⁰⁸ Good-tempered demonstration, which had been the norm in 1958 and 1959, gave way to open violence by January, 1961. The mass delinquency of a student-Communist strike in October, 1958, was regarded as simple lack of balance.¹⁰⁹ The vigorous agitation of Communist and Cuban spokesmen resulted finally in several deaths and the expulsion of the Cuban Ambassador and the Soviet Embassy's First Secretary, and was quite a different thing.¹¹⁰

Interviews with legislators in mid-1960 indicated that they felt some indifference to the tactics of the street; similar interviews in 1950 had indicated greater sensitivity, but the intervening decade obviously had surfeited them, and also had given a sense of false security. While Uruguayans have fought each other on occasions in the past, there have been more recent and quite serious challenges, such as the coup d'état of 1933, which have been tolerated with some embarrassment and with public unwillingness to act in defense of democratic practices.¹¹¹ The attempt to rule by the mob, or to influence the constitutional government by means of the mob, is a totalitarian technique which Uruguay has not often experienced.

Uruguayans view efforts by individuals and groups to influence public opinion and public policy as so normal a phenomenon of politics that many respondents found it difficult to distinguish them from those aspects of political behavior which lead to the formation of political parties. The progressive development of Benito Nardone's ruralista movement is a good example. Its passage from self-styled gremio, through *agrupación política* (political group), to sublema occurred without much awareness by the general public that anything at all was happening. The lack of awareness was reflected even by the work of objective foreign students of the country,

until Nardone burst on the scene as a member of the Executive Council.¹¹² It is suggested that this is only the logical result of a failure on the part of Uruguayans to articulate what has been present for several generations.

Many writers point out that interest and political groups become viable only when the national society and economy are developed enough to provide the necessary bases.¹¹³ It is evident that Uruguay reached this point a number of years ago. The multiplicity of political parties, factions, and political tendencies is a logical result of the personalist tendencies evident throughout Latin American political history, although the very permissive elections laws also support this development. The almost infinite number and variety of interest and pressure groups derives from other sources, however. Government intervention in the economy has made private concern for public policy almost a matter of survival for some groups. The public officeholder, who is exposed unremittingly to the demands of these interests, himself shares with his colleagues a vested position which is at variance with that of the private sector of the population.¹¹⁴ The sum of these interests produces public policy of a peculiar nature. It may well be that where there are organized groups, within which the individual can find like-minded individuals with whom to cooperate for group interests, there is little danger of the development of totalitarian mass society. But the product of these pressures on the Colorado governments up to 1958 was a stasis within which nothing constructive was done to solve the country's accumulating problems. The policy decisions of the Blanco government which was elected in 1958 therefore have been made in spite of a great variety of conflicting demands.

An added observation is in order. It will have been noted that neither the military nor the Catholic Church have been mentioned as of much importance in a political sense. Neither exclusion would be possible in most Latin American countries, but they are entirely justified in Uruguay. José Batlle has been described as the "catalyst" which brought about the rise of the many interest groups and the deterioration of the military and the Church as political factors.¹¹⁵

Political parties: personalism, and baroque variations on basic themes

Neither major party has ever been completely unified at any time. Luis Alberto de Herrera's tactics and personal views were far too machiavellian for more principled or moderate Blanco partisans to accept. José Batlle was too vigorous a social reformer to maintain complete control of his party, although his tactical leadership was considerably more principled and he appeared to lack the obvious hunger for personal power which characterized his principal opponent. The moderate Blancos, as well as the conservative Colorados, indicated repeatedly their discontent with these men.

The moderate Blancos, as well as those who opposed Herrera on entirely personal grounds, began breaking away from him because of the highly charged atmosphere which he was fostering within the party in the late 1920s, and formed a number of sublemas for the election of legislators in 1928. Party discipline remained effective for executive candidacies through the 1930 election, but after the coup of 1933 the opposition materialized

fully in the formation of the Independent Blanco party.¹¹⁶ The formation of this separate party divorced the new group entirely from Herrera's control, and appeared to guarantee Colorado control of the National government. If the dissidents hoped to force Herrera to modify his attitudes, however, they were doomed to disappointment.

The small party continued until the 1954 election. It never was fully unified, and there were always at least two distinct sublemas, each with its own newspaper. The two groups were able to cooperate until the 1950 election, but in 1954 the party's voting strength was reduced by half when one sublema joined the parent party.¹¹⁷ The disappointing results of this election caused both groups to reconsider their role.

The Independent Blanco leadership fundamentally was intellectual and professional. Its newspaper, the morning *El País*, directed by Dr. Washington Beltrán, and the afternoon *El Plata*, directed by Dr. Juan Andrés Ramírez, proclaimed themselves spokesmen for the party of *principismo* (literally, principle-ism). The claim was justified in large part, for although they maintained a partisan position from the late 1930s to the mid 1950s their partisanship generally was balanced and based on an awareness of realities. They argued for the need of a return to government by responsible groups, rather than by dogmatic leaders. They urged domestic fiscal reforms, and foreign trade policies based on sound economic analyses of needs and capabilities for export. Unlike the herreristas, they were not particularly nationalistic; they rejected any understanding with foreign dictators, and were firm supporters of civil liberties. Many observers considered *El País* the country's best newspaper during much of this period. As in the case of the Catholic party, the attitudes of the two newspapers could be explained in part by the leader's realization that they could never aspire to winning more than a few legislative seats in the elections.

A tiny offshoot of the Independent Blancos, the *Demócratas*, survived two elections, those of 1946 and 1950.¹¹⁸ The principal leader of this group was Carlos Quijano, publisher of *Marcha*, a militant leftist weekly journal of interpretation and opinion. The party disappeared after the second election, and its members largely rejoined the larger dissident party. *Marcha* continues publication, however, and maintains an editorial policy whose acerbity may be explained partly by the fact that its contents are discussed more in coffee houses than in government chambers.

The conservative Colorados broke partially with José Batlle in 1916, and formed the "riverista" sublema, taking the name from General Fructuoso Rivera, the first leader of the party.¹¹⁹ The name was retained until after the 1933 coup, and last appeared in the 1934 election for the General Assembly. Because the Batllista Colorados abstained from electoral participation until 1942, the conservative Colorados found themselves competing with each other and with the supporters of the coup in the elections of 1934 and 1938. In these and in succeeding elections until 1954 they voted in vaguely-defined groups and with shifting names.¹²⁰

Conservative Colorados generally have supported strong unipersonal executive leadership. The precipitating cause of their break with José Batlle in 1916 was his dogmatic position in support of an Executive Council. Their basis is broader than this, however, for their voting strength lies in the rural

areas, and Batlle's broad social welfare program, with which they did not feel much sympathy, was oriented toward the cities. Legislation creating benefits for rural workers, in fact, did not appear until some time after Batlle's death.¹²¹ Yet they did not break completely with the Colorado lema, as had the dissident Blancos, for it was clear that to do so might have shifted control of the government into the hands of Herrera, whom they disliked even more than the Batllista leadership.

The conservative Colorado newspapers, *La Mañana* and *El Diario*, are regarded today by many persons as among the more intelligently written members of the journalistic community. They seldom take extreme positions, but at the same time the criteria of conservatism are maintained. In more recent years, the doctrinary wanderings of the sponsoring political group has been reflected by a rather critical viewpoint.

The climate of opinion, and party discipline

The essence of the political process for the average Uruguayan is the right of dissent. The experience of the country under the party pacts, the rather laissez-faire system which has developed regarding the formation of political groups, and the durability of the quasi-socialist economic system under which the country has lived for some 50 years, have convinced him that the parties do not differ enough among themselves to offer significant choices in many respects. It was recognized prior to 1958 that the major parties "lean" in one direction or the other, but Blancos were symbolized for most voters by the vigorously personalist Herrera, whose flirtations with foreign fascists were well-known, and who was thought to have warmer feelings for the rural population than for the urban workers.

The position of the Colorado party until 1950, for the great majority of voters, was defined by the Batllista inclination toward the urban areas, the continuing commitment to social welfare programs, and the dogmatic support of the plural Executive. César and Lorenzo Batlle Pacheco, the sons of José Batlle, guarded well in the memory of their illustrious father, and all who sought to rise within the party made their peace with them. Their control of *El Día* assured them much control of the thinking of thousands whose only impression about politics were expressed in terms of their emotional reaction to one of the greatest men Latin America had ever produced.¹²²

Into this severely limiting situation came José Batlle's ambitious nephew, Luis Batlle Berres. He first occupied national office as a member of the Chamber of Representatives for Montevideo, in 1926. Eventually he was elected Vice-President of the Republic, in 1946.¹²³ Prior to José Batlle's death, a biographer had written of him,

The principles proclaimed by Batlle have already . . . [given] a wider and deeper assimilation to the people. They have . . . rendered all thinking restless. Indefatigable originator of ideas, Batlle has triumphed; all the Republic lives in him, in the spirit. It is with him or against him. It is Batlle who signals the subject of debate, . . . proposes ideas to be examined or discussed. He expresses his sympathy for the workers and his enemies . . . become conservatives . . . ¹²⁴

The statement remained true as late as 1946, and when Luis Batlle succeeded to the presidency, on the death of incumbent Tomás Berreta, in 1947, he found himself still hampered by the myths surrounding the "old man". When he challenged them, even his own party colleagues had misgivings, and *El Día* criticized him sharply. His own campaign slogan reflected his views, however; list "15" proclaimed itself "For a policy of partisanship".¹²⁵

The quincista position differed from the quatorcista in more than attitude toward myths, however. Luis Batlle directed his appeal to the lower classes and to the labor unions. In the second and third decades of the century, José Batlle had done the same, but his sons and *El Día* had settled down to the enjoyment of a position based on a sated bureaucracy, an accomplished social revolution, and an urban middle class whose contentment grew from its preferred position. Luis Batlle appeared to some as a demagogue quite as dangerous as Luis Herrera, but to the lower classes he seemed for the moment to promise the improvement in living level which the Batllista ideology had led them to believe they could expect.¹²⁶ Many voters in the unthinking middle groups perceived Luis Batlle as a reasonable alternative to José Batlle's sons, however, and he was careful to cultivate this confusion of thought. He ran in most elections in the Batllista slates of candidates, but intra-party developments reflected his increasing power.

The overriding tone of public opinion in 1950 was therefore one of relative indifference to political developments. The Colorados had controlled the national government, at least in name, since 1868, although for many years in the later part of the 19th century it had been the captive of military dictators.¹²⁷ The pacts of the parties fundamentally had corrupted both major parties by giving each a share of the spoils of office, so that there was no longer any real conflict other than that of Herrera's bothersome personal ambition. The average voter was cynical enough to regard impassioned campaign positions with amusement. Many of the more intelligent members of the electorate agreed that the country was commencing an approach to economic insolvency, however, since it was clear that the country's economy had not changed fundamentally since before the first world war. The two world wars had given the country important economic relief, as its major exports had enjoyed virtually unlimited demand, but it was recognized that the slide which had been characteristic of the 'thirties would begin again. Further, there was little popular appreciation of the risks involved in an accelerated commitment to social welfare legislation not founded on increased productivity, although Luis Batlle was promising it. In a very real sense the country had "brain-washed" itself and it appeared that little could change its views. The condition prevailed down to mid-1960, although a rate of 8% of annual inflation from 1949 to 1956, with acceleration after that time to an average 24% through 1959,¹²⁸ had shaken its confidence about happy endings.

Under these circumstances, party discipline extended principally to active politicians, and then only at the level of spoils and candidacies. The average man voted Colorado or Blanco because his family, neighbors, or co-workers did so, and seldom because of pronounced conviction. The party club house was the place to obtain favors, and the club director was regarded as a necessary parasite. The two large parties never made any

serious efforts to establish disciplinary controls over their voters, and dues were not collected on any systematic basis. Personalism gradually deteriorated as a general means of control over voters.¹²⁹

While it was never possible to maintain serious control over legislators' voting positions in either party, both the 1934 and 1942 constitutions experimented with the possibility.¹³⁰ The abandonment of the attempt in the 1952 constitution is little more than the usual adjustment to reality. In general, party leaders have had to content themselves with the appearance of loyalty in the form of verbal obeisance to the great names, and a few key votes at crucial moments. Constituent and interest group pressures preclude even the appearance of constant use of party "whips" to maintain alignments. A unique situation developed after the inauguration of the Blanco government in 1959, since the party was forced to exercise severe voting control in order to obtain what it regarded as key economic legislation. Normally legislators are free to vote their own inclinations, therefore, as dictated by sources other than party leaderships, and voters expect them to do so.¹³¹

Politics, 1956-1960: the tentative realignment

Luis Batlle's first election victory over the César Batlle quatorcistas occurred in 1950, when his candidates received 161,000 votes and a margin of 11,000 votes over the other Colorado ticket. The maneuvering over the adoption of the Executive Council which followed was deliberately designed to deprive him of control of the government and of his own party. Yet the 1954 election gave him 254,000 votes, and a margin of 74,000 votes over his familial competitors, although in the meantime they had picked up 30,000 votes. The second victory appeared to confirm that he now dominated the Colorado party, and that César Batlle no longer possessed either policy or tactical influence over him.

The 1954 election appears to have been a breaking point in political alignments for both Colorados and Blancos, although this interpretation may be premature. It is clear that after 1954, organizational and personality changes within the Colorado party were regarded as necessary. The changes within the Blanco party also reflect personality and organizational changes. The results were felt in the election of 1958.

Benito Nardone and the conservative rural interests of both parties provided the bases for change during this four-year period. Nardone had joined in 1942 with Dr. Domingo R. Bordaberry, a conservative Colorado who had supported the Terra coup of 1933. Inclined toward the left in his youth, Nardone later had decided that rural interests at the middle and lower income levels needed organization and spokesmen. His solution was the *Liga Federal de Acción Rural*, the LFAR or "ruralistas". The LFAR at first had allied itself with the older and more traditional groups, the Federación Rural and the Asociación Rural. These represented the large ranchers and farmers for the most part, however, and conflict had risen almost inevitably. Nardone's personal ambition and urban lower-class youth seemed not to fit him to be their spokesman, although a narrow confluence of interest did exist.

In 1949 Nardone's break with the older group had occurred, followed in 1951 by a split with Bordaberry. Nardone had become increasingly effective, as he founded *Radio Rural* and a weekly newspaper, *Diario Rural*. The latter had had only a small circulation, but Nardone's twice-daily broadcasts of weather and market news, political comment and almost unadulterated political scurrility,¹³² had commanded such attention that it is said—on excellent authority—that activity in the rural areas nearly ceased when "*Chicotazo*" (whip-crack), as he styles himself, came on the air. Nardone had cloaked himself in the patriotic symbols as an "*artiguista*", or true follower of the country's national hero, José Artigas.¹³³ He accepted a description of himself as "the St. John the Baptist of the National Redemption", and claimed a mystical mandate to clear the *casa de gobierno* of corruption and incompetents on behalf of the virtuous country people who had been bilked by their slicker urban cousins.¹³⁴ He maintained his movement was above party, and in an effort to preserve the myth attempted consistently to obtain the services of respected members of the traditional parties, in rotation, as officers of the movement.¹³⁵

Nardone's organizational meetings were and are replete with the color of the *campo*, with mounted *gauchos*, feats of horsemanship, and the massed banners of the colonial and early independence periods. He is not above calculated ingenuousness, as when a "*cabildo abierto*"¹³⁶ in Montevideo, with the speech-making taking place in front of the Palacio Municipio, was preceded by a parade of *gauchos*, country people and farmers in rural costume or workclothes, and even farm equipment. There is either explicit or implicit violence; the *cabildo* speeches were fighting threats against all politicians who might stand in his way. In April, 1960, an individual who dared to interrupt Nardone's open-air speech at the annual ruralista conference to ask a question was beaten so seriously that there was some concern for his recovery.¹³⁷

It appears that Nardone had captured important control over rural and conservative voters by 1954. In that election he supported Luis Batlle, but it was generally understood that the government's agricultural policies would reflect this support. The conservative Colorado sublema's voting strength in 1950 of 121,000 had nearly evaporated (to 9,300 votes) as voters had switched either to Luis Batlle (thanks to Nardone) or to other groups.¹³⁸ Nardone claimed that he could detect no major change in 1955 and 1956 in government policy, and when Herrera began searching for new allies he was receptive.¹³⁹ Herrera offered a constitutional reform plan which would eliminate the NCG. This was attractive to Nardone's conservative Colorado backers, and he signed it in July, 1956.

The facility of Nardone's switch into the ranks of the Blancos suggests there was much fluidity in Blanco ranks at the time. This did not end at this point, however. The establishment of the Unión Blanca Democrática in October, 1956, was a logical outgrowth of independently developing moderate and middle-of-the-road currents. It also was a logical counterweight to the coalition of two of the country's most opportunistic politicians. It came about partially because of the realization on the part of the leaders of the Independent Blancos that they had been wandering in the dark. They commanded approximately 70,000 votes, however, and thus felt logically that they could command consideration in a new coalition.

The most important subchief in the herrerista team at this time was Daniel Fernández Crespo, the leader of list "51". His first elective office had been as a member of the Montevideo Departmental legislature for the term 1928-31. In the 1931 election he had won a position in the national chamber of Representatives, heading his own ticket for the first time. In 1938, list "51" appeared under his name, and was the second most-voted list in the city. In the following three elections, "51" was the most-voted list in the city, and in 1950 Fernández obtained election in the Senate as the chief of his own sublema, although still supporting Herrera for executive office. In 1954, Fernández broke with Herrera to accept the support of the fascist Eduardo Víctor Haedo, and the two men headed their own ticket of candidates for the NCG. Haedo's pro-Perón and pro-Hitler record probably hurt the ticket more than it helped it, yet the sublema captured 112,000 votes.

In the 1954 election, Herrera's personal list of candidates for the Executive Council received only 160,000 votes. Herrera did not find the prospect of defeat by a coalition of the Independent Blancos and Fernández to be attractive. Therefore, Nardone's availability interested him. Nobody could be certain at this time how many votes Nardone commanded, but the possibilities seemed to be promising. There was little general expectation at any point that the Blanco party could win the majority bloc of the Executive Council, granted the fluidity of the situation, and the myth of Colorado invincibility. Herrera meant to maintain control of his own party at nearly any cost, however, and Nardone looked like a good bet. As a safeguard against becoming a captive of his own new colleague, Herrera invited Haedo back; there could be and was greater personal and mutual confidence between these two men than could ever be the case with the ambitious and erratic Nardone.¹⁴⁰

The 1958 election brought unexpected national victory to the Herrera-Nardone ticket, as has been seen. The results certainly were influenced by inflation, which was doing serious economic harm to persons who were normally economic conservatives but social liberals, and thus Colorados. Also there was much discontent because the questionable tactics, nepotism, and seemingly intentional maladministration of Luis Batlle had shown that the Colorado party was in need of some rather fundamental house-cleaning. Yet the election seems, for the moment, to have placed the country in a more serious position from the viewpoint of democratic practice than most people realized at first. The exact number of voters who followed Nardone is the current subject of Uruguay's biggest guessing game,¹⁴¹ and pessimists argue that the fate of democracy itself may hang on the outcome.¹⁴² The country was delivered into the hands of Herrera, Nardone and Haedo, none of whom inspires much confidence.

The pressure on circumstances and personalities may have been lightened somewhat by the death of Herrera in April, 1959. It is argued that the rather obvious demagoguery of Nardone has won him few friends and many enemies, and that even the unsophisticated, who for obvious reasons cannot keep track of the complex politicking which has been described, have begun to sense that their credulity is being played upon. It must be conceded that this is quite possible, since the literate Uruguayan's exposure to ridicule and contempt for Nardone is daily, unremitting, and often appallingly

clever.¹⁴³ Yet it must be observed that the President of the Republic for the period of 1961-1962 is Haedo. It is true that the President of the Republic under present constitutional arrangements does not possess the constitutional capacity to lead as firmly as is the case in most countries, yet the office still possesses influence and some patronage control. Haedo's leadership of the Uruguayan delegation to the fall, 1960, meeting of the United Nations General Assembly was a calculated effort to give him domestic and international status which he had not enjoyed previously. And where Nardone, as an amateur politician, may be victimized by the old-time professionals, Haedo can only be accounted one of those specialists in political in-fighting who survive where idealists and amateurs fail.¹⁴⁴

Political parties and the uncertain future

The Blanco victory of 1958 created an oddly ambivalent situation. On the one hand, executive power passed to the hands of Nardone and of Herrera's heirs. Although both claim interest in the establishment of conservative policies in furtherance of the country's agricultural potential, the tenuous nature of their coalition has made them more interested in maneuver than in imaginative policy formation. Nardone's unsuccessful efforts to attract labor support are indications in themselves that he feels no particular obligation to those voted for him in 1958.

On the other hand, legislative leadership within the Blanco party has passed on to the UBD, a coalition which is only relatively homogeneous, is principally urban in viewpoint rather than rural, but which is by intellectual background and conscience more disposed to enact policy attuned to the country's pressing needs. Most recent salutary initiatives in the fields of tax and fiscal policy, labor-management relations, economic diversification and public works have been originated by the UBD. The group's leaders are aware that a substantial number of their votes are on loan from the Colorado party. Voters who have been won during crisis are quite likely to return to their old affiliations unless those whom they supported for office appear to be successful. The UBD's campaign claim of 1958, that unless they won executive positions the country's situation would remain the same, appears to have been proved true, and yet the UBD is scarcely in a position to act alone.

It is argued usually that the executive branch is best suited to initiate policy under any governmental system. The present occupants of the NCG appear not to be inclined to undertake this duty in a systematic sense. The UBD, which controls only 26 % of the General Assembly, therefore has been able to achieve only partial success, even though it has acted quite vigorously in the Blanco party committee dealing with legislative matters. It has been moderately successful in winning the support of less dogmatic herreristas against the occasionally frightening tactics of Nardone. In the final debate on the budget on November 30, 1960, UBD legislators spoke with the unmistakable authority of creators and defenders of the document, while spokesmen of other parties clearly regarded it as the work of others.¹⁴⁵

It is clear that while the government of Luis Batlle paid some attention to public policy in the period 1955 to 1958, there was much more attention

paid to politicking. It was this situation of constant maneuver for personal advantage which produced the reaction in favor of the Blancos. The parallel with French developments in 1958 can scarcely be missed. It has been difficult for most Blancos to understand that the end of the Colorado domination of government also meant that it was time to end an extremely negative style of political behavior. The power of the UBD and of the ruralistas rest on different constitutional organs, and since both political groups are concerned with spoils and with the control of the autonomous government agencies, the two groups co-exist uneasily under the Blanco roof. The future of the country, in the short run, appears to be linked to the developments between the two sublemas, and any lasting success for the UBD depends almost entirely on their being able to maintain group unity.

The problem confronting the country cannot be solved entirely by the establishment of a new awareness of the need for systematic party organization and discipline, but it will be alleviated greatly. The ambitions of both Nardone and Haedo clash with such a development, however, as would those of Luis Batlle were there to be parallel development within the Colorado lema. There is still a good deal of personalism within the UBD; this is only logical in view of the very short period during which the group's previously separated and disparate elements have cooperated. The development of real party awareness in contrast to personalism would develop practical checks on the laissez-faire system which has been created by the elections laws. Experience suggests that it is the voters, themselves, expressing their views at the polls, who can begin the correction of the existing situation.

Closely linked to the need for the development of a more mature awareness of the responsibilities and necessities imposed by the possession of power, by whichever party occupies office, is the need for a greater awareness of the usefulness of professional standards in public administration. Uruguayan thinking in this field is still so primitive that even if it can be assumed that well thought-out and enacted policies can be achieved, they still are likely to be frustrated by the peculiar combination of incompetence and bad faith which prevail in the bureaucracy.¹⁴⁶ The Colorados learned to live with this condition since, in fact, they created it. Luis Batlle demonstrated during his comparatively short control of the government that he could use the system more effectively for his own devices than any of his predecessors. The Blancos did not inherit a functioning and skilled administrative structure, but quite the reverse. This writer's Blanco respondents among elected government officials indicated a complete lack of awareness of this weakness in 1960.

The problems faced by the country therefore are based on a very complex political panorama. Nardone makes it clear that although he occupies a position of nominal responsibility he is more concerned with sabotaging the efforts of his colleagues in the Blanco party than with constructive policy. It appears that he feels he can prevent the loss of his followers by extreme demagoguery and appeal to nationalism and unreason, and that he can capture drifters from the UBD ranks rather than allow them to return to their original herrerista or Colorado affiliations. If the floating UBD vote should return to the Colorados, one must wonder to which sublema it would be. In 1960, César Batlle was saying in effect, "what was good for my father in 1903 is good enough for me today". Luis Batlle's tactical position

appeared at times to be an attempt to do Nardone one better, with the added factor of *anti-Yanquismo* as a sop to those who might otherwise drift to the Socialists or Communists. His newspaper, *Acción*, seemed to contribute more to confusion than to constructive thought, and the pronouncement by Haedo in February, 1961, in favor of Castro as "the hemisphere's greatest living man" can only be regarded as producing a dialogue of extremes.

Policy in Uruguay therefore seems fated to fall short of need, at least for the present. The challenge to democracy necessarily emanates from leadership with doubtful or uncertain intentions, and from policy whose short-term lack of success may jeopardize the social and economic institutions on which democracy is based. Under these circumstances, the sympathetic observer will not be startled to be told that the country really needs a socially liberal, democratically-oriented strong man. Many Uruguayans expressed to this writer their envy of France with its De Gaulle, and the thought always was expressed with a shrug of shoulders concerning the viability of the present constitutional and political structure. One may express impatience with the obvious laziness of the attitude, but the wish for order from chaos is only human.

There has been much general discussion among Political Scientists of the essentially chicken-and-egg problem, what is the relation between the formal structure of parties and their behavior?¹⁴⁸ The peculiar legal and political position of the major parties in Uruguay renders an answer difficult. It is of course clear that the "ideological" parties have remained small because of the social and economic peculiarities of the country, and this in itself is a partial answer to the question.

Until the economic reforms of the Blanco government began to be enacted in 1959, it could have been observed with some assurance that both parties were generally similar in goals, that public attitudes and comparatively low level of differentiations did not appear to warrant the great variety of political organizations, and that an accommodation had been reached whereby the Blancos were in fact the clients of the Colorados. The proliferation of parties responded almost entirely to the permissive laws and recurrent personalisms. By the end of 1960, there had been enough change in public policy to suggest that the economic class bases of the two parties might change considerably, especially if any concrete steps were taken to commit the government to a policy of austerity. Such change could occur most usefully if personalist ambitions gave way to clear understandings about policy alternatives and party responsibility for the achievement of goals. It is suggested that Uruguay could profit by such a change. It would have the virtue of giving content to party structures, and of replacing behavior based on personalism by behavior based on popular expectations. Further, it may be observed that the development may well occur regardless of desire. Uruguay clearly has been living out of its time. The Blancos appear to have been picked by fate to set it right.

CHAPTER IV

THE CONSTITUTIONAL "POWERS" AND PUBLIC ADMINISTRATION

The constitutional institutions of Uruguay have aroused much interest among students of government for several reasons. It is generally believed that the country is one of the few real democracies in Latin America. This has been shown to be true, at least in regard to political participation. The country also is known as one of two in the world which has entrusted its executive function formally to a committee, a form which the casual observer is quite likely to regard as a curiosity viable only in a small country which had attempted to remove itself from the currents of the modern world. In some respects this supposition is true, since Uruguayans tend to cling to the notion that they live in a little world apart. The National Council of Government partially meets a series of needs which grow out of great social and economic complexity rather than simplicity. It is also evident, however, that the country has not been able to isolate itself at all, and that the modern world presses in upon it at every turn, demanding adjustments which the country has been reluctant to make because they challenge its own view of itself.

A principal area in which unwillingness to adjust has been demonstrated is that of national administration. It has been apparent that it is very difficult to achieve any political goal if inadequate attention is paid to administrative necessities. The Uruguayan administrative pattern is not a greater offender in this respect than are the corresponding systems of many other Latin American countries; it may be possible to argue that it is better than most. The Uruguayan government is more deeply involved in the daily life of its people than are most governments, however, and administrative incapacity frustrates many well-meaning policies which may have been arrived at by painstaking political bargaining within the constitutional branches of the government.

Latin American constitutional theory generally entitles the three branches of government *poderes*; this term translates most easily as "powers", although it implies both office and function. In this respect, therefore, the term *poder ejecutivo* refers not only to the executive officeholders, but also to the entire executive branch of the central government, as well as to its functions and responsibilities.

The National Council of Government: collective chief of State of government

The nine members of the Council are intended to function collectively as would a President in a normal separation of powers system.¹ Experience indicates that this seldom has happened, either in the period of the first Council, 1918-1933, or in the present period. It is common for the minority bloc of the Council to absent itself from meetings when major policy matters are acted upon; this has been true both when the majority was Colorado (1952-1959) and when it has been Blanco (1959 to the present). The minor-

ity usually takes the position that these matters are essentially the responsibility of the majority party, and therefore they are not concerned; yet minorities always appear to reserve the right to protest later if the majority's acts do not meet its approval.² When the 1960 budget was finally promulgated by the Council in December, 1960, the Colorado minority boycotted the meeting; the party as a whole had followed the same policy in the legislative stages of the matter, for the most part. In January, 1961, the minority bloc again refused to attend when an intra-Ministerial conflict was the topic of discussion.³ As a result, in many instances it is possible to argue that Council action has not been bipartisan. The fact has produced proposals for constitutional change to a one-party executive branch.⁴

Prior to the present constitution, Uruguay experimented with both a single strong presidency and a nearly complete collectivity in which a great many persons contributed to decision-making. There could be little doubt that the President of the Republic under the 1830 constitution possessed enough power to make definitive judgments on all governmental matters, and that the office was used occasionally as a basis for the establishment of as nearly dictatorial government as was technically possible at the time.⁵ José Batlle's intentionally complex proposal of 1913 was intended to meet this situation in the most obvious and simple fashion, the replacement of one man by nine. Presumably the placing of nine would-be caudillos in the same governmental organ would find all equally hampered. Batlle's proposal also tried to establish a genuine plural decision-making body, while the arrangement which came into force in 1918 was little more than a political compromise achieved for the sake of compromise. There was good reason to argue that the 1934 constitution, in view of the political realities of the time, made the President little more than a prime minister with nine Ministerial colleagues. As late as 1950, there was still some justification for the statement, "The president is, in fact, the chief minister in this quasi-parliamentary government",⁷ although it was fast disappearing.

The duties and responsibilities of the executive power appear in article 168 of the constitution of 1952. It commands the armed forces, is responsible for the preservation of domestic order and external security of the country, and grants the courts all necessary aid in the execution of their judgments, at their request. It promulgates and executes the laws, and issues all necessary implementing regulations. It informs the legislative power, at the commencement of ordinary legislative sessions, of the "state of the Republic, and of the improvements and reforms which it considers worthy of its attention." Therefore it may introduce bills, or suggest amendments to those under consideration, veto bills which have been passed, and call special legislative sessions and define their agendas.⁸ It has much power over the appointment of civil, military, diplomatic, and legal officials and employees of the country. It receives foreign diplomatic agents, concludes treaties and ratifies them with the consent of the legislative power, declares the termination of diplomatic relations, and with the authorization of the General Assembly declares the existence of a state of war "if arbitration or other pacific means have been unproductive of settlement". It prepares and presents budgets to the General Assembly,⁹ collects government income, and distributes it accordingly to the laws. It also "grants industrial privileges

in accordance with the laws", and "authorizes or refuses the establishment of any banks which might be [proposed] for establishment."¹⁰

Except for the last two functions, in comparative terms the list is not unusual. The use of special powers for the preservation of domestic peace is subject to some unusual checks,¹¹ derived from unhappy experience in both Uruguay and Latin America as a whole. The executive is unable to discharge civil employees who occupy positions specified in the budget, except for proved incompetence, and then only with the specific approval of the Senate in even the lowliest case. This is a restraint which has hampered the government in many ways.¹² The Council's duties concerning business and banking franchises date from the 1934 constitution, which also authorized the Assembly to grant monopolies.¹³ It is a delegation to the executive power of a function granted implicitly to the Assembly in the 1830 constitution, but which later became somewhat burdensome in practice.¹⁴

The executive power also includes the 9-member Ministry. Many Ministers are members of the Assembly at the time of appointment, although this is not a requirement. They may not continue in the Assembly during their Ministerial service, and are allowed to take leaves of absence from their Chamber.¹⁵ The Ministers often have more influence on the details of policy and administration than do members of the Executive Council. The division of labor traditionally has been that the executive Councillors have been "generalists", while many Ministers have been "specialists". Ministers of Public Health, Education and Welfare, Defense, and Public Works often are professionally trained in their fields; on many occasions the Ministers of Agriculture and Stockraising, and Industry and Labor also have professional backgrounds. The Minister of Interior is almost invariably a political appointment; the essential criterion appears to be reliability, since the Ministry is responsible for domestic order and peace through its control of the police. The Treasury (*Hacienda*) Minister also is often selected for political reasons, and the appointment in 1959 of a professional economist was regarded as a gesture indicating the new government's seriousness of intent and nonpartisan attitude toward a complex position. The Foreign Relations Ministry also generally is awarded to a political eligible. Many Uruguayans have been inclined in the past to regard the position as of comparatively little importance, a view in keeping with the country's inclination to attempt to regard itself as remote from international politics in large part. In the 1959-1963 period, the two groups composing the majority of the NCG were linked only by a superficial community of interest, and there was a notable lack of ideas among the members of this majority. As a result, a heavy burden fell on the Ministers; it was not always discharged successfully.

The relations of Ministers with elected executive officers have varied substantially from constitution to constitution and officer to officer. The Council of Ministers in the 1942 constitution still possessed much capacity for self control, and for determination of the procedures by which decisions were made. Ministers participated in many decisions, and President Amézagua was more inclined to accept Ministerial guidance than his successor, Luis Batlle.¹⁶ The NCG's thrice-weekly meetings often have Ministers present, but attendance is by invitation, and the relationship of Councillors and Ministers tends distinctly to preserve differentiations based on rank.

Periodically, "agreements" (*acuerdos*) are reached between the Council and individual Ministers, whereby the work and policy of a department is laid out for a short period in advance or in regard to an important matter. The practice maintains the superiority of the Council, although there are some individual variations.

It has been suggested that a major deficiency in the present constitutional arrangement is the absence of purposive discussion and responsibility for policy actions on the part of the Council. The lack of unity within the party elected in 1958 has only furthered this condition. Yet there has never been a formal appointment of a chief or Prime Minister. It is true that in recent years there has been some realization of the primacy of the Treasury Ministry, and some greater attention has been paid to the appointment of this officer. In the governmental period 1955-1959, there was a rather rapid turnover of Treasury Ministers, and several additional persons refused to accept the position. The principal issue involved in all these cases was tax reforms, including the adoption of a tax on earned income. In what amounted substantially to bids for formal legislative investiture, much as it developed in the French Fourth Republic, two Minister-designates went personally to the Assembly to argue their case. Neither was accepted; the "14s" could not find the parliamentary support for an appointment of their own, nor would they permit the appointment of a Minister of the "15s" who supported such a proposal.¹⁷

When the Blanco government appointed Juan E. Azzini to the position of Finance Minister in 1959, he was regarded widely but informally as the chief Minister for the government.¹⁸ Obviously the necessities of the situation had much to do with the popular view, especially since Azzini was one of the few men who had suggested that he had plans for governmental policy. Azzini had never held public office previously, however, and his conduct in office for the first year suggested that some problem of personal adjustment was needed before he could accept the situation in which he stepped from being an academician to the responsibility of planner, defender, and ultimately spokesman, of a government with conservative policies and heavy responsibilities.¹⁹

Up to now, the function of overhead policy planning by the executive power appears not to have been taken seriously by most Uruguayan students of or practitioners in government. From time to time it has been pointed out that this lack produces serious disadvantages. In June, 1955 the Finance Minister decreed the establishment of a permanent Budget and Financial Regulatory Committee, composed of fiscal and accounting specialists, to act as a permanent advisory and planning body to aid the executive power.²⁰ There is no record that the committee ever functioned. In 1960, ruralista National Councillor Faustino Harrison suggested the establishment of a new Ministry of Economy, with the duty of planning national economic policy.²¹ Subsequently, an ad hoc committee of private citizens, most of them Professors of Law in the University, was appointed to implement the proposal.²² Inquiry revealed that Harrison had not thought beyond this limited objective, however. There is, in fact, no agency which assumes responsibility for central planning.²³ The NCG has been subjected by opponents of the institution to many types of criticism, some of them mo-

tivated by the obvious desire to gain personally by its demise. None of the criticisms, other than those of skilled students of public administration, has centered on the inherent inability of the Council to perform effectively as demanded in the constitution.²⁴

The General Assembly: a combination of the ordinary and the unique

The Chamber of Representatives, or Deputies, as it is commonly called, and the Senate comprise the two legislative chambers of the national government. The 31 Senators are elected at large by the "double simultaneous" vote and by PR.²⁵ The constitution provides that each of the 19 Departments shall have at least two Deputies, but the remaining 61 members, for a total of 99, are assigned to the Departments principally on the basis of population. The "double simultaneous" vote, employing PR, is also used to elect Deputies, and the Electoral Court is empowered, by use of a rather complex formula, to assign seats by party and by Department. Therefore, some shifting occurs in each election, as adjustments are made to assure proportionality to the parties.²⁶

Most legislators live permanently in Montevideo, since there is no legal provision requiring Deputies to be permanent residents of the Department of their election, and Senators are presumed to serve for the country as a whole. Some Deputies and Senators maintain their contacts in the interior, and a special law attempts to encourage this by allowing legislators (as well as elected national officials) to import a new car, free of all normal tariffs, every two years.²⁷ Such fence-mending is useful, and a number of rural political machines support "favorite sons" who are returned regularly to office.²⁸ A majority of the legislators are lawyers, but many are doctors. Legislative salaries are modest, and a legal practice or some other professional activity is a necessary income supplement.²⁹ Legislators do not have individual offices or staff members provided by the government, and must care for all dealings with constituents themselves unless the party will accept charges—as it does to a modest extent in the case of some leading members. Some members hire secretaries from personal funds.

Neither chamber has precedence in budget or financial matters, although by custom the Deputies consider budgets first, and give the final approval to the amendments to the document which are voted by the Senate.³⁰ This procedure also was followed in the adoption of the 1952 constitution.³¹ The Deputies tend to vote approval to carelessly-drafted legislation more easily than do Senators,³² and the Senate often finds itself in the position of risking popular attack because of its wish to refine bills sent to it by the other chamber. On the other hand, this care does pay dividends, and the Senate's small size permits useful second looks.

The four annual sessions of the Assembly of each Legislative Period occur between calendar dates prescribed by the constitution. In 1960, the Assembly voted to hold its regular meetings during the first 18 days of each month. Meetings during the other days are termed special sessions, as are those outside the constitutionally-prescribed schedule.³³ The Deputies often meet briefly prior to a scheduled regular session to consider special business; these meetings also are classified as special sessions.

From one legislative term to another, legislators often move between the two chambers; and neither chamber is specifically regarded as the senior, nor particularly privileged. The abnormally high turn-over of seats in the 1958 election brought many younger Blancos to office and interrupted the usual shuffling process.³⁴ There was evident decrease in the age and experience of members in both chambers. The President of the Senate is President of the General Assembly, and officiates at joint sessions and in signing bills sent to the Executive Council for promulgation.³⁵

The Senate has unique duties regarding public administration. It approves or rejects executive appointments of military officers of the rank of colonel or above (or the equivalent in the Navy),³⁶ and of chiefs of diplomatic missions and of *fiscales letrados*.³⁷ Much of its time is taken up with granting approval to the Executive Council to discharge employees of the Central Administration who are listed in the budget,³⁸ or diplomatic officials whose acts have reflected on the good name or prestige of Uruguay.³⁹ In either case, the request for the authority to discharge must lie on the table for 90 days before the Executive Council can act on its own in the case of the Senate's failure to act. Executive appointments of members of salaried Boards of Directors of autonomous government enterprises lie on the table in the Senate for 15 days. An adverse vote in the Senate by a simple majority vote has no legal effect on the appointment; an absolute three-fifths vote is binding, however.⁴⁰ When these Boards perform their duties in a manner unacceptable to the Executive Council, or which it considers illegal, it may refer the conflict, as well as its proposals for the correction of the situation, to the Senate. The Senate has 90 days in which to pass judgment on the conflict, and it must act by an absolute three-fifths vote.⁴¹

The Senate therefore functions to a degree as an administrative examining board. It may be objected that this unique role is inappropriate to a separation of powers constitution. The administrative decentralization which too evidently exists in Uruguay is only exaggerated by this constitutional device, and the practical effect is to introduce political considerations into a number of matters which should, in all reason, be removed as far as possible from politics. An examination of the reports of Senate meetings indicates a disproportionate amount of time spent on matters not germane either to national policy or to genuine administrative efficiency or capacity.⁴² The utility of this device is therefore subject to some challenge.

Legislative Committees and Legislative Process: Committees.—Each chamber employs a group of standing subject matter committees to deal initially with bills submitted by the members or by the government, and to discuss special problems or to make investigations.⁴³ The Deputies employ 15 such "permanent" committees;⁴⁴ they normally report on any bill assigned them within 30 calendar days. An additional ad hoc committee may be appointed to act if the regular committee has not reported.⁴⁵ The Deputies appoint special committees by an absolute majority vote; these committees may be assigned such powers or duties as the chamber may wish, and their reporting dates also are fixed by the appointing resolution.⁴⁶ The Deputies also may appoint investigating committees, in accord with

article 120 of the constitution.⁴⁷ The Senate employs 9 "permanent" committees which report whenever their consideration of bills is completed.⁴⁸ The Senate also appoints special committees, which work under terms specified by the resolution establishing them.⁴⁹ Like the Deputies, the Senate may appoint investigating committees under the terms of the constitution.⁵⁰

Investigating committees are used frequently, for examining any matter broadly connected with government operations.⁵¹ These committees normally are given the power to summon government employees and relevant official documents, where the central administration or autonomous government enterprises are involved. Committees have only limited power to summon private citizens or documents, however. When it is assumed that the scope of the proposed investigation may make such power useful, the General Assembly will pass a special law. The investigating committee then will be authorized to request attendance; when it is refused, the committee then will be able, on its own initiative, to seek authority amounting to subpoena power from a court which is competent to grant it. The witness then will be under court order to appear with all relevant documents.⁵² The investigating committees may vote charges against witnesses for perjury or for falsification of evidence; they may vote what amounts to indictments on the basis of criminal action uncovered in the process of the investigation, although such matters will then be turned over to a competent court of law.⁵³ No government official suspected of misdoing may be deprived of legal counsel at any point in a committee investigation.⁵⁴

In one respect, practice is ambiguous regarding the use of investigating committees. The constitution is not specific, and, although it is generally assumed they will be used where there is intent to legislate on the basis of the evidence uncovered, the Uruguayan courts have not made specific judgments on the point. As a result, both regular and special committees conduct investigations which, from time to time, appear more to supplement normal procedures by the courts than to lay groundwork for legislation. Some committees clearly have engaged in adventures, but many have contributed substantially to the development of useful data. An example of the latter type was the special committee on investigation of "Costs of Production in the Foreign Meat Packing Plants", which reported to the Deputies on January 4, 1958. It uncovered what was considered massive evidence of fraud by Swift and Armour subsidiaries in the preceding years.⁵⁵ The report was regarded as contributory to the permanent withdrawal of these companies from the country later in the year.⁵⁶

Committee assignments for individual Senators and Deputies are made nominally by the elected officers in each chamber, but action actually is initiated by the individual party sectors in the respective chambers. These sectors recommend assignments to the special Committee on Committees in each chamber, which is composed of one member from each party sector. This representative has a vote weighted equivalently to the strength of his sector.⁵⁷ The Committee on Committees then recommends the appointments to the President of the chamber, who makes them official. The party sector leaderships are free to reassign their members among the committees as the legislative Period progresses.⁵⁸ Regular Senate committees have five to seven members, although special committees may have as many members

as the establishing resolution may specify. Committee assignments are intended to be proportionate to the strength of the party sectors in the Senate itself.⁵⁹ Committees of the Deputies may have from five to fifteen members, but the "total membership of [all] these Committees will be the same as that of the membership of the Chamber."⁶⁰

The importance of the committees in the legislative process is recognized by the parties. A principal feature of legislative debates in early 1959 was the claim of herrerista Deputies that they should have greater representation in the Public Works, Labor, and Legislation and Administration committees than that normally granted, in order that their party sector could control these key areas of legislative policy. This claim was typical of the herrerista position that they were the privileged sector of the Blanco party, in that they had been the ones to keep the party's partisan position alive during the long years of Colorado control. On the other hand, the smaller parties such as the Unión Cívica complained that the small size of their legislative delegation precluded their having regularly-assigned members in all of the key committees.⁶¹ In practice the objection of the small parties is met by allowing sectors and parties not entitled to titular membership in a committee to send a representative who may participate in the discussion but who may not vote.⁶²

So far as possible, individual legislators are reassigned continuously to a given committee, unless they have contrary preferences. In addition, they are free normally to attend meetings of other committees as their time may permit. Most committees meet regularly on Tuesday or Thursday afternoons, however, so that this is difficult. Special committee assignments frequently fall to senior members as well, so that a member's time may be burdened by many extra commitments.⁶³

The committee stage in both chambers of the General Assembly follows the introduction of the bill. Private members in either chamber may introduce bills without any limitations as to subject matter. Deputies are required to submit statements supporting the bill at the time of introduction. Senators may do so, and also must introduce their bills not later than 30 days before the end of a regular legislative session; if a bill's introduction is supported by an absolute majority vote in the Senate, it may be introduced at a later date, however.⁶⁴ The assignment to committee is made in the name of the President of the chamber, normally by the clerk. It is debatable in the Senate for up to one hour; it may be challenged in the Deputies, but may not be debated. In neither chamber is the content of the bill debatable at this "first reading" stage. The secretariats of the respective chambers prepare synopses of the bills, and they are assigned a calendar (*carpeta*) number. They are then published in pamphlet form, usually by mimeograph.⁶⁵ In any case, a vote formalizes the assignment to committee in each chamber.⁶⁶

Committees normally meet in executive session, and short precis are released to the press.⁶⁷ Standing committee procedures provide that spokesmen are heard whenever their interest groups are affected by bills under consideration, either by their requests or by summons. Representa-

tives of delegations visiting the Legislative Palace or spokesmen lobbyists are admitted to the committee chambers only for the period necessary to state their cases.⁶⁸ The committees are not supplied with staffs, and normally have only a single secretary assigned to them. This employee often is retained by the committee for many years, so that he becomes highly experienced in the subject matter of the committee. As a general rule, it is realized that the committees draw on few resources not ordinarily available to the general membership of the chambers, and bills often are amended on the floor. This is not true of all investigations, and the seriousness of intent of the Assembly in establishing such investigating committees is usually judged by the degree to which special counsel is employed. A committee report which has amended a bill drastically, or which is adverse to a bill's passage, faces opposition from the initiator at least, and from the government as well if the bill originated with a Ministry. In the case of a government bill, the Executive Council will send one or more Ministers to participate in the committee discussions as well as in the "second reading" debate on the floor of the chamber, and party discipline may be invoked in an effort to overcome an adverse committee report if it becomes necessary.⁶⁹

The Legislative Process.—Committee reports to the parent chambers are based on simple majority votes of the committee members. The majority report may be written or oral, and committee minorities are authorized to report in the same fashion, at their options. Both majority and minority may, and usually do, state the reasons for their positions. If the reported bill varies in content from the original version, the Deputies require a statement of reasons, and the Senate permits one.⁷⁰ Committee reports are presented by a spokesman for the majority. This "informing member" seldom is the chairman of the committee. He becomes the floor manager for the bill, and so assumes a personal stake in its passage.⁷¹ The atmosphere which he must face is one of great freedom for debate and attack, and while the rules, especially in the Deputies, attempt to limit the free use of the floor, many exceptions to them are possible.⁷²

Legislative sessions of the chambers normally convene in the middle to late afternoon. Recesses in these meetings of up to two hours are common, and the meetings may last long after midnight during the latter part of the annual session, or when matters of great public interest are under discussion. Legislators are in constant movement around the chambers and hallways during the meetings, as well as in the lobbies, and members spend much of the time in conversation with colleagues or constituents. Each chamber is well staffed with employees whose titles imply their responsibility for maintaining order in the vicinity of the legislative meetings, but whose principal duties appear to be those serving refreshments to the legislators and their guests, and running errands. Even during moments of some tension, the atmosphere is seldom completely serious.

Debates in the Chambers are generally open to the public.⁷³ Each semi-circular chamber is depressed slightly down to the speaker's platform, and around the periphery of the large rooms, whose overall dimensions are approximately 110 by 60 feet, are two levels of galleries, one above the other, much in the style of traditional eighteenth and nineteenth century theatres.

In each chamber a section on the lower tier is reserved for visiting dignitaries and diplomats, and for newspapermen, but the balance of the gallery, seating about 400 persons, is open to the public. Since the Uruguayan practice is that groups interested in the fate of bills often bring parties to observe the debate on their bills, as well as spokesmen who seek personal interviews with legislators during the actual debate on the bill in question, proceedings on hotly contested matters may be interrupted frequently by interventions from the galleries which the presiding officer and the sergeants at arms seek to control by verbal remonstrations and use of the bell which is the sound for the call to order. The chambers themselves leave something to be desired from an acoustic viewpoint, and it is not difficult for the loudspeaker-aided orators to override the shouts from the gallery. Occasionally it is necessary to clear the galleries, however.⁷⁴ The present Blanco leadership has attempted to forestall embarrassing incidents by firm control of traffic entering the building or using the elevators on legislative meeting days.

The President of the Senate establishes the agenda or "order of the day".⁷⁵ It may be suspended for urgent matters, however, and the declaration that a matter is urgent is privileged and must be resolved immediately.⁷⁶ The order of the day may be suspended for 15 minutes on the decision of the President or on the motion of any Senator; this device may be employed as often as the chamber will permit.⁷⁷ The entire pace of procedure in the Senate is leisurely, and normal legislation must be voted on four times after the committee stage before passage is completed. The bill is first discussed "globally", and in terms of "its importance and usefulness from the general point of view." During this stage of debate, each regular member may speak only once concerning his views, and a second time if he feels he has been misunderstood.⁷⁸ The second stage of discussion, which usually occurs the same day, is by individual articles and provisions; members may speak as often as they wish, but may be called to order for failure to be relevant.⁷⁹ Ordinary legislation must undergo the same two stages again, not earlier than the next regular session of the Senate. This may be avoided if the bill has been declared urgent, if it deals with a special pension, or when the matter is considered of "little importance and obvious result".⁸⁰ Bills which have been voted previously, and which are undergoing reconsideration after being amended by the Deputies, undergo only the two debates on detail.⁸¹ In any case, the President of the Senate may vote, but does not have a second vote in order to break a tie.⁸²

The order of the day in the Chamber of Deputies is fixed by a Special Committee on the Order of the Day, composed of a representative from each "parliamentary sector". This committee meets each Thursday during the regular legislative sessions to fix the agenda for the fourth following week.⁸³ The agenda for an ordinary meeting may contain up to ten items.⁸⁴ The rigidity of this arrangement has led to the use of special sessions which are held just before or after the scheduled regular sessions. These extra meetings may not deal with more than two items, and not less than 30 minutes may be scheduled for consideration of each item.⁸⁵

Bills normally receive only half as much procedural consideration by the Deputies. A general discussion concerning "the importance, advisability

or inadvisability of the matter" occurs first, for the "purpose of determining if the Chamber ought to concern itself with it or not." Each Deputy may speak to the matter for 30 minutes, although a two-thirds vote of those present may extend this period for an additional half hour if the speaker feels he has been unable to develop his points adequately; the Deputies are normally rather generous with such requests. The reporting member of the committee which considered the bill and one of the Deputies who signed the bill on introduction (and thus assumed responsibility for it) may each speak for 45 minutes, and for an additional 5 minutes to reply to the remarks of any other speaker; each also may take a final half hour to summarize the debate prior to the vote on principles. As a variation to this procedure, by an absolute two-thirds vote of the chamber, debate may be declared unlimited, but only for one speaker on behalf of each "parliamentary sector."⁸⁶

The discussion on details follows immediately after the vote on principles, and each Deputy is limited to speaking for 15 minutes, and then only on one article or provision of the bill. The reporting member of the committees, and the signer of the bill, may speak 20 minutes on each article, as well as 5 additional minutes to each amendment which has been proposed.⁸⁷ Debate must be relevant.⁸⁸ Prospective speakers sign up with the President of the chamber and are recognized in order.⁸⁹ Debate may be closed at any time after two speakers have appeared on each side of the matter, or when there are no members seeking recognition.⁹⁰ Bills which have been passed earlier, and which have been returned by the Senate with amendments, are discussed only in regard to the details which have been changed.⁹¹ All Deputies, including the President, may vote on matters under consideration, except that those whose "personal interests" are at stake are forbidden both to debate and to vote.⁹²

Votes are always preceded by the ringing of a bell and a loud speaker announcement, so that members scattered around the building may be present for the vote. Deputies may vote in three ways: "nominal" votes are *viva voce*, "summary" votes are by show of hands or by rising, and signed ballot votes are cast on constitutional amendments, and on changes in the electoral laws or the rules of the chamber.⁹³ Deputies are free to interrupt the proceedings during any vote to spend up to three minutes in explanation of their votes.⁹⁴ Senators employ only the standing vote and the voice vote.⁹⁵

Uruguay does not make formal use of conference committees as does the United States, for the development of agreements between the two chambers on bills which are not passed in identical form. If the second chamber accepts the form enacted by the first, the bill is sent to the Executive Council for promulgation. If the second chamber disagrees with the first, but the first accepts the amendments, the legislative process ends at this point. If agreement is not possible, however, a joint session of the two chambers must be called, and the final form of the bill voted by a two-thirds majority.⁹⁶

Bills which are acceptable to the Executive Council may be declared to be in force within 10 days of receipt. If the Council takes no action within this period, the bill is considered to be in force.⁹⁷ The Council possesses an item veto, however, and exercises it by returning the bill to the Assembly

with a message indicating the provisions in question. An immediate Assembly special session meets, and the bill is reconsidered. If the Assembly chooses to accept the Council's objections, it returns the bill by a majority vote; if it wishes to override the veto it does so by a three-fifths vote. The Assembly has the alternative of rejecting the veto and killing the bill, by a majority vote, however.⁹⁸ In any case, a roll call vote is required, "and both the names and reasons of the members, as well as the objections and observations of the Executive Power, will be published immediately by the press."⁹⁹

Normal legislative sessions begin annually on March 15th and end on December 15th; in election years the session ends on October 15th, and the new legislature meets for the first time on the following February 15th. These meetings are provided for by the constitution, and no executive convocation is necessary. Special sessions may be called by the Executive Council, however, as well as by the Assembly itself.¹⁰⁰

Within 15 days after the start of the annual session of the Assembly, each chamber elects the eleven members of the Permanent Commission. These four Senators and seven Deputies are designated by PR. The presiding officer of the Commission is a Senator.¹⁰¹ The Commission's duties are "to be attentive concerning the observance of the Constitution and the laws, warning the Executive Power when appropriate . . ." When it appears that power has been abused the Assembly may be alerted; when an additional warning fails to obtain compliance, the Commission may call the Assembly into special session on its own decision.¹⁰² The Commission therefore serves as a guardian of constitutionality, and during the interim period between the lapse of an old legislative period and the opening of the new one, the outgoing Commission assumes the responsibilities of oversight of the Executive Power until the new legislature is fully activated. Under normal circumstances, the Commission possesses no legislative powers, but it is able to act in substitution for the individual chambers in some small but important ways.¹⁰³

Students of Uruguayan government argue regularly among themselves about the case for bicameralism. Until 1932, the 19 Senators were elected by electoral colleges in the individual Departments, one-third each two years for six-year terms.¹⁰⁴ The Senate was enlarged to 30 members by the 1934 constitution and to the present 31 by the 1952 document.¹⁰⁵ All are today elected for four-year terms, and at large; constitutional ties with specific Departments no longer exist, and the practical effect of the arrangements regarding the election of Deputies is largely to bring about a high degree of similarity in viewpoints and constituencies of the two chambers. The 38th legislature which was elected in 1958 reflects these conditions; the effect is perhaps exaggerated slightly because of the highly political atmosphere which surrounds all aspects of government performance. It cannot be argued, however, that the Senate and Deputies contribute unique qualities to the government as a whole. Were it not for the Senate's unusual administrative powers—which virtually by definition precipitate it into the executive branch where its placement seems most inappropriate—the observer would be inclined to argue that the case for continued bicameralism is open to challenge.

The Executive-Legislative relationship and the parties.—It has been shown that the selection process for all candidates is dominated by partisan considerations. A candidate normally owes his place on the ballot of his political group to the decisions of the group's leaders to accept him. A unique regional origin is not itself an asset to a candidate, in view of the fact that in neither chamber of the Assembly is residence a criterion for office. Many groups or sublemas owe their coherence not only to personalist leaders, but also to some acceptance of broadly shared views. The result is that discipline is a constant and ambiguous problem among many of the "non-ideological" parties or lemas. The narrow loyalty conflicts with the broader. There is seldom a formally-invoked discipline among officeholders of a lema or sublema, even under the pressure of a drive to maintain the unity of a legislative program. In the debates on the vitally important Monetary Reform bill of 1959, for example, formal discipline as such was never invoked in the Deputies by the leadership of the several Blanco sublemas, in spite of the awareness of all that the bill's passage was central to the plans of the new government. The success in holding the party together was largely due to careful planning, frequent caucuses, and almost constant participation in the committee stages by the Treasury Minister, Juan Azzini. There was at that time a noticeable reluctance to complete the appointment of a large variety of very significant posts in the government business and quasi-judicial administrative supervisory agencies, however, and the possibility of favorable appointments was held out to recalcitrant legislators as an incentive to get their support. Nearly all sublemas provide in their rules that legislators may be expelled formally from their ranks for failure to heed formal calls to discipline, however.¹⁰⁶

The degree to which political groups can maintain discipline within their parliamentary sectors therefore depends on many factors. It is closely related to highly personalist controls in some sublemas. Luis Batlle's control of his bloc is well known, and amusing stories are told of it.¹⁰⁷ Between February and May, 1956, his struggle to maintain party unity at this personal level produced more harm than good, however. He insisted that the budget bill then under legislative consideration should contain provisions establishing an income tax. In spite of the obvious and demonstrated need for such a tax, a crisis was produced within the Colorado party, as César Batlle used his parliamentary bloc, including two Ministers, to oppose his cousin. The result was that Luis Batlle was forced to accept César Batlle's terms, the withdrawal of the income tax proposal, in such a way as to contribute substantially to the defeat of the entire party in the 1958 elections.¹⁰⁸

This condition was paralleled in part, in 1959 and 1960, by the bitter intra-Blanco struggle among the herreristas, the ruralists, and the UBD. Nardone attempted to establish his personal and executive branch control over legislators who felt they owed little or nothing to him, and who defied his legislative initiative for this reason, although it was clear that not all of his plans were by any means bad for the country. Simultaneously, Herrera's heirs sought to maintain the late caudillo's personalist control over a disintegrating bloc of both National Councillors and legislators.¹⁰⁹ The UBD leaders, who presided over what was fundamentally a loose confederation of professionals, middle class businessmen and small farmers,

tried to unify their own legislative group as a first step toward taking leadership of the entire party, although they had no executive officeholders on which to base their efforts.

It has been observed that the several Blanco sublema executive committees played a central role in the enactment of the 1960 budget. This instance illustrates the degree to which the party machinery substitutes for executive leadership under the present constitution, perhaps even in a permanent sense. The constitution provides for the drafting of the quadrennial budget by the newly-inaugurated government within the first year of office.¹¹⁰ The Executive Council did not receive a draft budget from Treasury Minister Azzini until the last day of this period, February 29, 1960. Consideration was purely formal, and about 20 minutes were spent in discussion before the draft was forwarded to the Assembly for approval; the document was little more than an undigested and disoriented collection of money requests and recommendations from the various Ministries, autonomous governmental businesses, and other constitutional bodies.¹¹¹ The actual writing of the complete first draft of the budget therefore occurred in the Chamber of Deputies. The document itself became a loosely-kept secret until the first complete draft was published in the daily reports of the Chamber on June 29th.¹¹² Its contents were worked out in daily conferences in what came to be known as the "green room" in Blanco party headquarters, with the participation of leaders of the three sublemas, a number of the Blanco Deputies and Senators, and several of the Blanco National Councillors and Ministers. As agreements in detail were developed, informal notes were sent to the Executive Council stating that it should request the appropriate changes in the original draft. The Council complied, and the entire document therefore was reorganized in this three-month period available, under the constitution, to the Deputies for budget debates.¹¹³ In substance, therefore, the real parliamentary examination of the budget occurred in the Senate debates, because of the calendar limitations.¹¹⁴ The entire parliamentary process which followed was exposed to intensive lobbying in which interest groups called to the maximum on the favors which they felt were due them from the Blanco party's sublemas. The intensity of interest was heightened by the serious inflation which had occurred in the preceding four years, and by the knowledge that for many governmental agencies and programs the budget decisions virtually would determine their continued survival.¹¹⁵

The procedure here described offers some interest for the observer of administrative procedures. It also points up the almost completely partisan nature of the process. The conferees in the "green room" worked out agreements subject primarily to party criteria, and only secondarily to the criterion of national interest. When the Deputies finally accepted the completed draft of the budget on the last possible day (7 a.m. on November 30th), the vote was supported by virtual unanimity on the part of the Blancos (there was one adverse Blanco vote), and with almost total indifference or rejection by the other parties.¹¹⁶

The present relationship of the executive and legislative powers is quasi-parliamentary in nature. Four specific types of formal interaction

are mentioned aside from the legislative procedure itself. These are impeachment (and conviction), censure, written questions, and interpellation. Impeachment and conviction procedures are quite similar to those established by the United States constitution.¹¹⁷ Censure of Ministers may be proposed in either chamber of the Assembly for "their acts of administration or government". If the motion is supported by a simple majority the resolution is held over to a special joint meeting of the Assembly, which must be held within 48 hours; an absolute majority vote by the Assembly obliges the Minister or Ministers to resign.¹¹⁸ Because of the difficulty of employing this procedure, and because of the indefinite nature of the bases for the action, it has never been accomplished.

Article 118 of the constitution provides that any legislator may direct written questions to Ministers, as well as to the Supreme Court, the Electoral Court, the Administrative Appeals Tribunal, or the Accounts Tribunal, through the President of his chamber. If an answer is not received, it may be renewed through the authority of the chamber itself.¹¹⁹ This procedure is seldom used for obviously partisan purposes, principally because it lacks the spectacular nature of other means of examining the government's intentions. The desire to embarrass the government is satisfied more completely by the use of interpellations, which may be employed "provided it is for the purposes of legislation, inspection, or consultation". Any member may move an interpellation, although the summons must be supported by an absolute one-third vote by the chamber.¹²⁰ Interpellations are intended ideally to be motivated by nonpartisan goals, and occasionally they are.¹²¹ Their use for partisan purposes is well-known, however. This is the more true since Ministers may attend legislative sessions at any time and participate freely when circumstances seem to warrant.¹²² Thus, most necessary word-of-mouth information can be obtained without the fanfare and public interest which accompanies an interpellation, if the member is genuinely interested in this limited goal.

An interpellation ends with a declaration of views by the interpellating chamber. Interpellations are rather common, especially in the Chamber of Deputies, and the free-wheeling atmosphere in which they occur is reflective of a certain frivolity, rather than of sobriety. This is principally due to the position taken by parties, when in power, that no Ministerial resignation, nor abandonment of government policy, need occur as the result of an interpellation, even though an adverse vote might result.¹²³ The rules of the Deputies may provide that interpellations shall be employed only for relevant purposes, but the provisions in the rules of the chamber which allow individual members to rise to a point of personal privilege often are used abusively to produce debates of great breadth. An amusing but unedifying development during the interpellation of Treasury Minister Juan Azzini in early 1960 was a bitter personal quarrel on the floor of the chamber, unrelated to the subject at hand, which culminated in a challenge to a duel. In this same series of debates, the Communist deputy used personal privilege as an excuse for a two-hour tirade against Yankee imperialism.¹²⁴

The executive-legislative relationship is therefore subject to many conditions. Neither impeachment nor censure is employed, however, and the written question and interpellation procedures are used quite commonly.

Both are subject under ordinary conditions to political usage, and the effect of these practices is to develop a situation somewhat like that in the British system, in which the purpose of an interpellation or question period is to make a record which will impress the public, rather than to topple the government.

On the other hand, Ministers may not hold parliamentary seats simultaneously with their service in the executive power, although they need not resign their former affiliation. This provision therefore suggests an attenuated separation of powers system.¹²⁵ It may be concluded therefore that although the legislative-executive relationship is highly formalized by the constitution, the parties are the instruments for facilitating the cooperation, or encouraging the non-cooperation, of these two branches. The electoral provisions in the most recent constitution increase the certainty that partisan considerations will dominate, since the requirement that all candidates of a given party for elective office, regardless of the office sought, shall appear on a single unchangeable ballot, guarantees that the party which wins the majority bloc in the Executive Council will certainly have a plurality in the Assembly, if not a majority.

The courts: structure, competence and problems

The constitution of 1830 established four levels of courts. Justices of the Peace were intended principally to be the arbitrators of such disputes as might arise locally.¹²⁶ The Departments were each to have Judges of First Instance, with both civil and criminal jurisdiction.¹²⁷ "One or more" Appeals Tribunals were to be organized,¹²⁸ and the High Court of Justice would top the judicial ladder.¹²⁹ The High Court Members were to be appointed by the Assembly, and would serve during good behavior.¹³⁰ The High Court was to be generally responsible for the administration of the judicial system, and would appoint all other judges with the approval of the Senate, or of the Permanent Commission during the parent body's recesses.¹³¹ The government's claim to control of the Catholic Church within its territory, which was not uncommon among the newly-independent Latin American countries, was symbolized by the High Court's ability to make recommendations to the executive branch regarding the acceptance or rejection of Papal bulls and other communications.¹³²

Article 117 authorized the Assembly to postpone the activation of any or all courts, so long as there might exist a lack of lawyers or of government revenues to support them. Therefore, it was not until 1881 that the Assembly enacted legislation contemplating the activation of the High Court.¹³³ The Court's first term opened on December 19, 1907, after a recommendation by President José Batlle finally obtained the necessary legislation.¹³⁴ This indifference to making operational the provisions of the constitutions relating to the courts appears to have continued down to the present in some respects. The courts have been made political pawns of politics by many Presidents. Col. Lorenzo Latorre, the dictator from 1876 to 1879, appears to have done more to reorganize and regularize the courts than any other President of the 19th century.¹³⁵ Up to 1907, the duties of the High Court were only partially performed, by varying combinations of Judges and of courts.¹³⁶ The contrast with the care with which

the other branches of government were established has been ascribed to indifference on the part of the political parties during most of the 19th century, distracted as they were by other, more pressing problems. There was a continuing lack of competent personnel to man the courts as well as a lack of funds.¹³⁷ It was also true that the paucity of trained lawyers who were willing to serve as judges for the very low salaries paid, in contrast with the higher incomes available through private practice, made it nearly impossible to appoint "Lettered" (i.e., legally trained) Judges to posts outside of Montevideo.¹³⁸

The present ordinary court system is not changed substantially from the original which was provided by the 1830 constitution, although there has been some refinement. Perhaps the most outstanding change is the establishment, by the 1952 constitution, of an Administrative Appeals Tribunal, which consciously parallels French Administrative Courts in large part. In Montevideo there has been established a series of parallel civil and criminal courts. The basic law on the structure of the ordinary courts and their jurisdictions is Law 9,222 of January 25, 1934.¹³⁹ While there has been no significant change in jurisdiction, there has been some refinement by Law 11,461, of July 8, 1950, and by further laws.¹⁴⁰

At the lowest level are the 227 Justices of the Peace, 24 of them in Montevideo and the balance scattered in the cities, towns, and rural areas of the Interior.¹⁴¹ These judges are at least 25 years old but not over 70, the compulsory retirement age for all judges in the regular judicial hierarchy except for members of the Supreme Court of Justice. They must be native Uruguayans or naturalized citizens of two years' standing, and lawyers if serving in Montevideo.¹⁴² They are appointed for four-year terms, but are removable at any time "in the public interest" by a majority vote of the Supreme Court justices.¹⁴³ The Justices of the Peace have only civil jurisdiction in matters involving not over 1,000 pesos.¹⁴⁴ Article 255 of the constitution provides that no civil suit may be initiated unless a documented effort has been made to conciliate the matter in the presence of the Justice of the Peace.

The next higher level of courts is that of *Juzgados Letrados*, ("Lettered Judgeships").¹⁴⁵ These 47 officials are lawyers of four years' standing, including two years' experience as Justice of the Peace or as government attorney. They are native Uruguayans or naturalized citizens of four years' standing, and are at least 25 years of age.¹⁴⁶ They serve good behavior on appointment by a majority vote of the Supreme Court, and may be transferred within the country from one bench to another, by decision of that Court.¹⁴⁷ There are several divisions at this level in Montevideo. They include nine Civil First Instance Judges who have final jurisdiction on appeals from the Justice of the Peace courts, as well as original jurisdiction on all matters involving over 1,000 pesos.¹⁴⁸ Three judges serve in the Treasury and Administrative Appeals division. They have first-instance jurisdiction involving Treasury and tax matters which are not referred to other courts because of the small values involved, as well as in all instances of administrative violation of the legal rights of private or legal persons. They have appeals jurisdiction concerning Treasury and tax matters which are referred first to other courts, as well as concerning

prior decisions made by administrative tribunals located within the operating departments of the executive branch, which are alleged to have violated the rights of government employees.¹⁴⁹

Six judges in this category serve in the criminal division with first-instance jurisdiction, and are known as Judges of Instruction and Correction; four additional judges in the criminal division, with appellate jurisdiction, are known as Criminal Judges.¹⁵⁰ The Juvenile division includes two judges.¹⁵¹ Two new judgeships for Labor Matters were created in the 1960 budget.¹⁵² In addition to these 26 judges serving in the Montevideo divisions, there are 21 additional judges serving in the Department of the Interior. Paysandú and Salto, the Departments containing the second and third largest cities respectively, have two such courts each, while the balance of the Departments each have one. These judges have original criminal jurisdiction, original civil jurisdiction in matters involving over 1,000 pesos, and appellate jurisdiction in matters which have been handled by the justices of the peace.¹⁵³

The third court level is that of the Court of Appeals. There are three such Appeals sections in the country for civil matters; all three sit in Montevideo, and take weekly turns hearing cases throughout the year except during the annual judicial holidays. There is one additional court for criminal appeals. Each bench has three members, and in order for a definitive judgment to be reached the three must vote unanimously. The presidency of the court is held by its three members in annual rotation, in order of length of service.¹⁵⁴ These judges must be at least 35 years of age, native Uruguayans or naturalized citizens of seven years' standing, and lawyers with eight years of practice or six years' service in the judiciary or as government attorneys.¹⁵⁵ They may also act in Treasury and Administrative matters other than when the plaintiff is requesting nullification of the administrative order in question.¹⁵⁶ These courts have no original jurisdiction.

The highest regular court for both civil and criminal matters is the Supreme Court of Justice. It has five members who must be 40 years of age, and either native Uruguayans or naturalized citizens of ten years standing. In either case, they must have been resident in the country for at least 25 years. They must be lawyers with ten years of practice or eight years of experience as judges or government attorneys. They are elected by the joint session of the two chambers of the General Assembly by an absolute two-thirds vote, for a ten-year term. The provision for compulsory retirement at 70 years does not apply to them, but they may be reelected only after the passage of a five-year period.¹⁵⁷ The President of the court is elected by plurality vote of its own members, for a one-year period dating from the close of the annual judicial holiday in January. The remaining judges enjoy precedence among themselves in order of age.¹⁵⁸ The Supreme Court is almost entirely responsible for administration of the judicial branch of the national government, and its President is the constitutionally-designated spokesman for that branch in any communications with the other branches of the government.¹⁵⁹

The Supreme Court has original jurisdiction regarding "all violators of the Constitution, without any exception", crimes against international

and admiralty law, controversies regarding treaties and conventions, and charges against diplomats accredited to Uruguay.¹⁶⁰ The Court retains its power to make judgments as to the admissibility of Papal bulls and pronouncements, regarding conflicts of jurisdiction among the lower courts,¹⁶¹ and possesses broad appellate jurisdiction in civil matters, including compulsory jurisdiction when the matter involves over 2,000 pesos and is appealed from the Courts of Appeals.¹⁶² The Court's quorum is three members, but all must be present and voting in order to make a definitive pronouncement in a case.¹⁶³

The highest Administrative Appeals Tribunal, the *Tribunal de lo Contencioso-Administrativo* (TCA), also have five members who serve under the same conditions and personal qualifications as Supreme Court judges. The TCA's jurisdiction includes all claims for the nullification of administrative rules, and actions growing out of them by officers or organs of the central administration. The grounds for granting such a request can only rest in the claim that the rules are in excess of power or are violations of law. The plaintiff in any such case must be able to demonstrate "direct, legitimate, and personal interest" in the alleged illegal act. The TCA has jurisdiction in challenges to rules and actions by the governments of the Departments, as well as by the government enterprises. It has jurisdiction in conflicts between two or more organs of government, as well as among members of the directive bodies of enterprises and Departmental government organs. The TCA may only examine the rules themselves, and determine their legality; it is not authorized to suggest compromises or modifications of the rules or actions.

The Tribunal may receive a case only when established procedures for administrative appeals within the administrative hierarchy of the ordinary courts have been exhausted. It may make a decision by a majority of three if the nullification of an act against the rights of the plaintiff is requested, although all five members must be present at the vote. It is necessary for four of the five members to support a decision nullifying a general rule, however. If decision is rendered in favor of a plaintiff alleging personal damage, he must then seek damages in ordinary court; further, the decision benefits only the plaintiff. If the decision nullifies a general rule, however, it benefits all objects of the rule.¹⁶⁴ Article 320 of the 1952 constitution provides for the establishment of inferior administrative appeals courts, in order to start an independent judicial ladder. No implementing legislation has been passed by the Assembly.

The judicial budget includes two lawyers assigned as public defenders for minors, and seven lawyers as public defenders in criminal or civil cases.¹⁶⁵ The basis for such appointments is the constitutional provision that "Justice will be without charge for those declared to be paupers in accord with the Law . . ." ¹⁶⁶ A party to a case who would seek this benefit must submit evidence which is subject to challenge by both the other party to the case and a representative of the Treasury. The latter's interest arises because of the customary legal requirement that all documents be submitted on stamped paper, the cumulative value of which, in a complicated case, may run to many thousands of pesos. A determination of poverty excuses the party from these payments, and documents may be submitted

on plain paper. Unfortunately for the principle of objectivity in the courts, the judge presiding in the case determines if the claim is justified; experience indicates that some bias often results from this preliminary decision.¹⁶⁷ Serious effort is made to assure that the plea shall not be employed successfully by a trouble-maker as a means of bringing a suit against an antagonist with the intent to employ a prolonged case as a means of destroying him.¹⁶⁸ Further, a plaintiff with means cannot benefit by the provisions if the defendant takes advantage of it.¹⁶⁹

Article 253 of the constitution states the jurisdiction of the ordinary courts over military personnel except in time of war or in case of the commission of military crimes, in contrast with common crimes. The provision does not imply military court jurisdiction over civilians at any time, nor is it generally regarded as implying special military court jurisdiction over military personnel during conditions of special security other than actual combat. Thus, although Uruguay declared war on the Axis powers in the second World War, the military courts never assumed any special jurisdiction.¹⁷⁰

The 1952 constitution repeats the statement of the 1934 and 1942 documents that laws may be declared unconstitutional either because of their content or their form. The Supreme Court has exclusive jurisdiction in cases involving the constitutionality of national laws, and if at any time in a court proceeding it appears that constitutionality of the law is to become a question, the case is immediately bound over to this Court. The plaintiff must be able to demonstrate his "direct, personal, and legitimate interest" at the time he files for the new jurisdiction. In addition, any court in the judicial system, including the TCA, may ask the Supreme Court for examination of the law involved in a case at hand in terms of constitutionality, before continuing its normal procedure. In judgments of unconstitutionality, the decision specifically applies to the case at hand and does not establish a general rule.¹⁷¹ The parallel between the TCA's jurisdiction concerning nullification of an administrative rule or action and the Supreme Court's capacity regarding unconstitutionality is apparent, although the TCA may also make judgments with general effect as well as with effect only for the plaintiff. The result therefore is that the two courts frequently find themselves in conflict in this area.¹⁷²

Article 303 of the constitution provides an interesting reminder of the unitary nature of the Uruguayan government. The legislative acts of Departmental Juntas (legislatures), or the executive acts of the Departmental Councils may be challenged on the ground of their unconstitutionality or violation of national law. The appeal must be filed within 15 days of the promulgation of the Departmental action, either by one-third vote of the Junta or by any thousand registered voters of the Department. When the challenged act involves increasing the income of the Departmental government, or when the challenge is by citizens rather than by the Junta, there is no suspensive effect. The appeal is not made by a court of law, but rather to the General Assembly. If the Assembly has not acted within 60 days, it is considered to have regarded the appeal as not having been made, although if the Assembly goes into constitutional recess the 60-day period also ceases to run.

Article 329 declares the validity of all laws which do not conflict directly or indirectly with the new document. The existence of such a conflict is a cause for a declaration of unconstitutionality by any judge or court, without action by the Supreme Court being required.¹⁷³ The challenge on the grounds of unconstitutionality to laws enacted prior to the current constitution raises a doctrinal problem, however. The courts have held that the criterion to be applied is the constitution in force on the date of enactment; thus it is held by one commentator that a law could possibly be constitutional because of a gap in the 1952 constitution, yet be declared unconstitutional because of a specific statement in the constitution which was in force at the time the law was enacted.¹⁷⁴

The personnel of the judicial branch is divided into two groups, the civil service employees who are not legally trained, and who serve as clerks, custodians, etc., and the career law school graduates. The latter's terms of service and promotion are established by the Code of Organization of Civil and Treasury Tribunals.¹⁷⁵ Aside from the differing minimum conditions stated by the relevant constitutional articles, which have been reviewed, these officials must be of known good moral reputation and without a criminal record.¹⁷⁶ Aside from the annual vacation periods and the regular holidays recognized throughout the country, they must reside at the locale of the court in which they are assigned, they must be present daily in their offices, and they must be punctual in the observance of their duties.¹⁷⁷ Each court must make a semi-annual report of the status of its docket to the Supreme Court, and Justices of the Peace must also report the instances in which they have intervened successfully in civil controversies as mediators. This information is then passed on to the Executive Council by the Supreme Court in a general semi-annual report.¹⁷⁸

Judges may not practice law in any court, nor consult with a client for any purpose, other than in cases involving their own parents or immediate families.¹⁷⁹ They may not express their views, publicly or privately, regarding cases before them.¹⁸⁰ They may not participate in any political acts, club meetings, or manifestations, other than the casting of their votes in regular elections.¹⁸¹ They may not be elected to Departmental political offices nor to the General Assembly, but may accept unpaid appointments in non-governmental legal committees or as unpaid Professors of Law in preparatory schools or in the University, provided they have received permission to do so from the Supreme Court.¹⁸² Two individuals closer than the fourth degree of consanguinity or the second of affinity may not serve on the same bench.¹⁸³ Judges may be removed for the violation of any of these provisions. Articles 132 to 169 of the Code establish the circumstances in which judges may be held responsible for malfeasance in office, fix the procedures by which the accused may be tried and convicted, and fix the penalties which may be exacted.¹⁸⁴

The court system has been subjected to slow budgetary and personnel starvation in terms of the mounting need of the country for judicial services. It was suggested in 1960 by a retired Supreme Court Justice that there are too few judges, court employees, and courts, and that salaries and operating budgets are inadequate. As a result, delays often cause substantial injustice, and the integrity of the courts is endangered.¹⁸⁵ The

charge was made during a period of some difficulty for the courts, with heavy backlogs of pending cases, and came in the midst of the struggle for larger appropriations in the 1960 budget. The central problem appears to be the indifference of the Assembly to the needs of the courts, coupled with its minute and fussy supervision of the budget requests submitted by the Supreme Court, which acts as a spokesman for this theoretically coordinate branch of government. Salaries of judges, which never had been regarded as handsome, became decreasingly attractive as legislative indifference had its effects.¹⁸⁶ The result has been, in recent years, that the young law school graduates who formerly entered judicial careers, and who have provided the fresh career personnel needed to maintain the service, have become indifferent and have turned elsewhere for opportunities to practice their professions. The charge has been made, therefore, that standards of excellence have not been possible of maintenance.

In spite of the fact that the courts have suggested new organic and procedural codes on many occasions, the Assembly seldom has acted promptly to relieve the pressures of backlogs on dockets.¹⁸⁷ For example, although the Administrative Appeals Tribunal was called for by both the 1934 and 1942 constitutions, with the provision that the Assembly would enact the implementing legislation, that body took no action with the result that a comparatively large body of administrative law, which had developed to rather substantial and detailed size, remained for many years to be defined and applied by the non-specialized regular courts.¹⁸⁸ Finally the 1952 constitution created the Tribunal by fiat, and left to it the preparation of its own organic law. Up to 1959, the Assembly had refused to take action on any one of three drafts submitted.¹⁸⁹ Repeated messages from the Supreme Court to the Assembly requesting the establishment of additional judgeships in the regular courts have been ignored. The country had the same number of Judges to handle civil and commercial matters in 1960 as in 1930, and the 1960 budget made no substantial change, although all salaries except those of the Supreme Court and the TCA were raised to produce approximately the same real wage as that which had been received under the 1956 budget.¹⁹⁰ New codes relating to procedures and jurisdictions have been allowed to die in committee.¹⁹¹ These conditions have been protested by the *Colegio de Abogados*, the counterpart of the bar associations in the United States, but without real effect.

The Colegio's protests have been occasioned in part by the realization that increasing encroachment on economic and civil rights is occurring in Uruguay as a result of continuing development of the size and activity of the country's bureaucracy.¹⁹² It is argued that the executive power has interfered in judicial matters on many occasions, frequently to the detriment of the courts and to the check on executive or legislative acts which would be implied by their independence.¹⁹³ Decisions of unconstitutionality by the Supreme Court have been defied occasionally by the affected governmental agencies, with virtual impunity.¹⁹⁴

In 1959 and 1960 the Blanco party's warring factions failed to reach agreement on the appointment of new personnel to fill existing vacancies, whether created by termination of periods for which the incumbents originally had been appointed, or by resignations. Aside from the appointment

of a number of government attorneys, whose terms expire at the end of the four-year periods of the elective branches, there also were one vacancy in the Supreme Court and two in the TCA in November, 1960. In each case it has been possible to continue operations with full benches because of the existence of legal provisions for temporary appointments.¹⁹⁵ The tenor of Blanco negotiations indicated that the vacancies were being used as bargaining counters in much the same way as have been positions in the Electoral Court and the Accounts Tribunal, all of which are expected by the constitution to be replaced by political appointments.¹⁹⁶ In April, 1960, UBD leaders pointed out that the evidence seemed to support the argument that Herrera-Nardone leaders were using the vacancies in log-rolling in order to obtain favorable votes on needed legislation.¹⁹⁷ Such actions scarcely contribute to judicial prestige.

The executive power, administration, and the autonomous entities

The most outstanding characteristics of Uruguayan administration are undoubtedly the degree to which it is decentralized, and the degree to which Uruguayans appear to believe that they have a moral right to government employment.¹⁹⁸ The combination creates much difficulty for those who would bring about administrative rationalization, and thus improve government operations in an area which is centrally important in a country which has embarked to an extreme degree on the unsteady waters of socialism. The effect of the condition is magnified by the generally low level of interest in his job exhibited by the average government employee. There have been several detailed examinations in recent years, yet none of the studies has been able to bring about agreement on, or demonstrated interest in, necessary reforms among government leaders.¹⁹⁹

The Executive Council theoretically supervises the activity of a number of operating departments. Effective supervision of the machinery of administration requires some clarity of decision-making and policy definition, at minimum. Experience has shown that the Council is unable to meet these conditions. It fails to delegate authority, and attempts to perform too many routine duties itself.²⁰⁰ In effect, it seems to attempt to act much of the time as if it were a third legislative chamber.

Contributory to the Council's problem is the lack of a staff of competent executive aides who could assist in the definition or preparation of a budget adequate for establishing governmental programs and providing means for their administration. The budget has been conceived of only as a technique for controlling expenditures in a negative sense.²⁰¹ Tens of thousands of jobs, together with their salary levels and titles, are legislated into this document and are virtually beyond the control of hierarchically superior officers for purposes of establishing standards of employee discipline or performance. There has never been any unified study of organization and methods in the central administration, although partial studies have been undertaken and usually have found their outlets in publications which collect dust on office shelves.²⁰² Adequate statistics do not exist; indeed, it seems to the observer that there is a distinct desire *not* to know the size of staffs, the accurate total of the budget, or the degree to which tax collections approximate expectations.²⁰³

Decentralization and the autonomous entities

It has been observed that the degree of decentralization of administrative function which has developed is impressive. This is the product of a combination of practical need and of theory which came to full fruition under José Batlle. The intent of the 1830 constitution was to create a unitary state with comparatively little local self-government. The intention had undergone some modification in practice by 1865. In part this was the result of the experience of tyrannical government under dominating executives. There was a tendency to argue that territorial decentralization of functions would minimize the effects of these Presidents. The Departmental governments had had no autonomy under the original constitution, and the *Jefe Político*, the political chief or delegate of the central government, had almost complete power to enforce central governmental decisions in the Interior of the country. The growth of population and government responsibility led in 1865 to the beginning of territorial decentralization. The Civil Code of 1868 gave legal personality to the municipal governments, and the Rural Code of 1875 conveyed to the Departmental *Juntas* or legislatures a small grant of land and the power to administer it for income purposes. The Departmental governments as a whole acquired semi-autonomous status by law in 1919, although the Montevideo Departmental government had been given its own organic law in 1891.²⁰⁴

The desire for specialization and (presumably) efficiency was a second reason for decentralization. The first fully autonomous Board of Directors in charge of a specialized governmental agency was founded for the Banco de la República in 1896, and others followed shortly after 1900. The precedent partially had been set with the Statute for Higher Education in 1885, however, when Secondary and University teaching were given much autonomy under a Rector and a Council which continues, with important modifications, down to the present time.²⁰⁵ Thus, to borrow the terminology of an Uruguayan commentator, as the Autonomous Entities and Decentralized Services came into being, this "vertical" decentralization developed at the same time as the "horizontal" or territorial decentralization which established the autonomy of the Departmental governments. The technique and structure of the government businesses, and agencies in charge of social commitments, was frankly an adaption of the management structure of private corporations. In the case of both business and regional governments, the tendencies which existed in the 19th century were given major impetus by José Batlle.²⁰⁶

All of this was nominally unconstitutional. Article 79 of the 1830 constitution had declared the universal administrative responsibility and supremacy of the President. The legislators found refuge in article 17, however. Its third paragraph was an approximation of the "implied powers" clause of the United States constitution, since it states that the Assembly may "Enact laws relative to the independence, security, tranquility and decorum of the Republic; [to the] protection of all individual rights, and the development of . . . agriculture, industry, [and] foreign and domestic commerce." The developments were given legitimacy in the 1918 constitution by means of the general and rather vague article 100, whose meaning was never entirely clear even to its drafters.²⁰⁷ Under its pro-

tection, decentralization continued until the coup d'état of 1933 prepared the ground for a determined effort by Gabriel Terra and Luis Alberto de Herrera to reassert executive control.

The government has used the device of the autonomous entity to become deeply involved in the economy of the country. It owns the railroads, airlines, and a number of trucking and interurban and municipal transport systems.²⁰⁸ All petroleum refining and much of the marketing in the country, together with a monopoly of the importation of alcohol of all types as well as the domestic production of it, plus a growing share of the production of portland cement, are in the hands of a heterogeneous agency known as ANCAP.²⁰⁹ Other government companies control the potable water supply for, and the Port of, Montevideo, all telephones and telegraphs, electrical power production, the major meat packing plant, and a number of other activities.²¹⁰ The Insurance Bank of the State competes with a number of foreign and domestic privately-owned companies in regard to some lines of insurance, but has a monopoly in fire, workmen's compensation, life and auto accident lines.²¹¹ The Mortgage Bank of the State grew out of a formerly private organization in 1912, and today holds a major portion of the mortgages on private properties throughout the country.²¹² The Banco de la República is a commercial bank, as well as a central bank.²¹³

Today 28 *Entes Autonomos* and *Servicios Descentralizados*—autonomous entities and decentralized services—control the businesses and most of the major social services of the State. They are supervised by Boards of Directors appointed quadrennially by the Executive Council, with fixed proportions assuring that the majority is of the governing party and the minority of the next largest party.²¹⁴ In many other non-business areas where Boards do not actually control policy, honorary advisory commissions have been appointed. Therefore, boards or commissions, with or without salaries, and with or without control functions, enter in to the progressive decentralization of governmental power.²¹⁵ The distinct popular tendency in Uruguay is to equate "democracy" with such multi-member decision-making bodies and with decentralization; virtually by definition, unipersonal direction of an agency, is regarded as "undemocratic."²¹⁶

On the whole, therefore, decentralization has proceeded to the point that the Executive Council would have difficulty in controlling or coordinating the activities of the autonomous entities even under ideal conditions. Yet the central administration assumes financial burdens because of their deficits, and occasionally, as in the case of ANCAP, even finds itself involved in a foreign trade transaction of relatively enormous size with a country with which Uruguay does not normally trade.²¹⁷

The forces which supported the coup of 1933 adopted the slogan, "against the *Colegiado* and against the autonomies". Some of the previously autonomous activities were brought under control of established executive departments; and the arrangements for the preparation of budgets and reporting of accounts were standardized so far as possible. From a theoretical point of view it could be argued that this administrative rationalization made sense. The exposure of the previously comparatively efficient organizations to unblushing spoils raids could hardly be defended, however.

The constitutional reforms of 1942 and 1952 resulted in some improvements in political attitudes regarding the autonomous organizations. It would not be possible to argue that they have been freed entirely of political influence; on the contrary, it should be noted that 18 months after the inauguration of the Blanco government in 1959, some new members of the Boards of some of the organizations had not been appointed because of the inability of the trisected Blanco party to reach internal agreement on personalities and interests. There has been some slight change in some autonomous entities generated from within, however, and symbolized by administrative self-studies which have placed some premium on establishment of minimal standards of efficiency and integrity. More important from the point of continuing the real autonomy of these agencies has been the establishment of the nine-member Executive Council; this unfortunate body has demonstrated its inability to maintain effective control over them.

The executive power, the budget and fiscal responsibility

It has been observed that the budget is used as a device to control money expenditures, not to establish or plan government operations. The continuous electoral successes of the Colorado party, with attendant increasing administrative carelessness, may have been responsible in part for this condition. This tentative conclusion is suggested by the fact that between 1944 and 1953, a single budget remained in force with only such minor changes as deficiency appropriations and amending of salary scales.²¹⁸ The election of the Blancos to power in 1958 did not bring any sweeping change, however. The 1960 budget did establish annual appropriations and tax estimates. This is the first such action under the present constitution, which calls specifically for quadrennial budgets. It is implied that periodic tinkering now is to be sanctified by constitutional dictum.²¹⁹ Aside from this development, the budget has been enacted, as in 1953, in several independent and detailed laws which do not achieve close coordination of policies or intentions.²²⁰

In discussing the 1952 constitutional provisions regarding the budget Dr. Jiménez de Aréchaga observes that concept of the quadrennium is treated "more as if it were propaganda on a poster than a reality". While all preceding constitutions had called for a single, annual, and unified budget,²²¹ the present one calls for three separate bills to comprise the one quadrennial proposal. All government organs dealing with the document are given fixed time limits within which to act, with the proviso that their work is presumed to have failed of approval if action has not been completed within the time limit; in such cases the preceding budget is automatically continued in force, presumably for another four years. Additional legislation is necessary to correct any deficiencies which may arise. Since these deficiency appropriations may be ordinary laws, the declared intent of quadrennial action is revealed to have little meaning.²²²

Careless or ambiguous drafting in the constitution has left a number of significant points open to possible future misinterpretation. The provision regarding the three different laws which jointly comprise the budget does not specify that the three bills will be presented simultaneously. It is conceivable that the salaries and operating expense bills could be sub-

mitted separately by the Executive Council to the Assembly, and both could precede the bill related to taxes and other income. Yet the Assembly would be under a specific time limit for consideration of the first bills, and might not be able to examine one in the light of the others. While this possibility is remote, the conclusion necessarily must be that the provision is open to attack.²²³ Although theoretically the government is composed of only the three great Powers—the executive, legislature and judiciary—under article 221 of the constitution auxiliary tribunals such as the Electoral Court, the Accounts Tribunal, and the Tribunal of Administrative Appeals are given nearly the same degree of budgetary autonomy as the regular court system. Jiménez concludes that the implication is inescapable that the separation of powers is being broadened, especially in view of the references in the same article to the autonomous entities.²²⁴

The 1960 budget was enacted in four laws rather than the three demanded by the constitution. These were:

(1) The *presupuesto de sueldos* (salaries budget). This law established general salary scales for the budgeted employees of the central administration. No reference was made to duties. The law did not appropriate money for operating departments as such.²²⁵

(2) The *presupuesto de recursos* (budget of income). This law related to taxes and other income sources. In some respects it contained the principal contribution of the Blancos to administrative practices to date, since for the first time a tax on personal income was enacted. At the same time, the pledge of the Treasury Minister, Azzini, to curtail some taxes was fulfilled modestly. With a few exceptions the law was fundamentally designed only for revenue; in a few instances, the social intent was greater than the economic. The principal exception was found in the income tax provisions which placed heavier burdens on the assumed rental or income value of undeveloped land than on the real income from exploited land.²²⁶ The intent was to force into use some of the enormous percentage of potentially usable land in the country which is used, if at all, for livestock grazing. Other exceptions, designed to curtail luxury consumption, were to be found in the tax on private automobiles, jewelry, furs, toilet articles, and similar items. Significantly, although there were numerous heavy taxes on tobacco and alcoholic beverages, as well as on gambling, these were not classified as luxuries.

(3) The *presupuesto de sueldos y gastos* (budget of salaries and expenses). In contrast to the first mentioned law, this law dealt in detail with operating funds for offices and personnel of the executive departments, the Courts and other Tribunals, the schools and University, and a number of the decentralized services.²²⁷ Provisions regarding programming or establishment of administrative goals might have been expected to appear at this point. On the contrary, the bill contained nothing of the sort. It is clear, however, that the intensive and detailed descriptions of jobs and office arrangements had the effect of denying to supervisory personnel the control of their staffs or operations. Any initiative clearly would require amendment of this law, since it was written so as to continue the pattern which has existed, virtually without examination, since the establishment of the individual offices. The law distinguished between

budgeted jobs—whose pay is controlled by the scales established in the budget of salaries—and “global” or “*eventual*” jobs—which hold no tenure under the law. The latter category contains employees whose jobs are not specified in the law, and who therefore may be hired with the “global” appropriations which are placed at the discretion of the chiefs of offices. Although these people theoretically are employed on contracts which have specific termination dates, they have implicit tenure after a very short time, and have first call on any blanketing-in which occur.

(4) The *ley de ordenamiento financiero* (law for financial management). This law was in large part a series of amendments to previously-existing laws concerning executive departments and some of the specialized agencies. Some of the amendments defined policy for these organizations, but not in any systematic fashion. Several riders were stripped out of the law while it underwent debate in the Chamber of Deputies, as the result of pressure activity. Notable among these was a long set of provisions which would have established Uruguay's first real regulation of labor-management relations, including the responsibilities of union leaders to their memberships. Another proposal would have begun the complete reorganization, along uniform lines, of the internal administrative structure of the executive departments.²²⁸

Article 214 of the constitution provides that budgets shall be prepared in only three bills. The fourth bill, for financial management, therefore meets no constitutional requirements. Some governmental leaders have urged that it become the capstone of the structure,²²⁹ but it is clear that the purpose of the fourth law, at least in part, was to evade the prohibition on “riders” in the budget.²³⁰

The procedure regarding the formulation of the budget, and its enactment by the Assembly, seems to be stated quite clearly in the constitution. The three bills called for are submitted to the Assembly by the Council within 12 months after the inauguration of the new government.²³¹ The bills contain not only the requests of the various executive departments, but also, at least for information purposes, the budgets proposed by the numerous Autonomous Entities and the Departmental governments. In the case of the latter two groups, the Assembly passes judgment on the original requests by the agencies or Departmental governments only if there has been a conflict between them and the Executive Council or with the Accounts Tribunal.²³² It is recognized that the ordinary criteria of governmental reporting cannot be enforced on the Autonomous Entities.²³³ In the case of the non-commercial entities, however, enactment by the Assembly occurs without special understandings or arrangements.²³⁴

The first chamber of the Assembly has three months in which to consider and act on the bills, in both committee stage and floor discussions. If the matter has not been completed in this period, the chamber is called into “extraordinary and permanent session for its approval or rejection.” The extraordinary period lasts not more than 15 days, and if no action accepting the bills is voted, it is assumed they have been rejected. Once one chamber has acted, the other commences work under the same provisions.²³⁵ If the second chamber has amended the version passed by the first, the originating chamber has 30 days from the date of receipt of the new version in which to act; if the amendments are rejected, or if the

period passes without action, the assembly is convoked in joint session. This joint session may last 30 days; if the Assembly is unable to act, a final 10-day period of "extraordinary and permanent" session is called. The bills are considered rejected if no action has been taken.²³⁶ Experience in both 1953 and 1960 showed that the entire period was needed, largely in order to arrive at the necessary accommodations among the various party elements represented in the Assembly.

The Assembly's role regarding the budget is limited in some important constitutional and political respects. It may not increase salary or expense items in bills submitted by the Executive Council, nor create new jobs on its own initiative.²³⁷ On the other hand, while the Assembly remains free under the constitution to cut budget requests, the political possibility cannot be considered high, since the single ballot method of election of all officeholders virtually guarantees the Executive Council enough control of the Assembly to prevent antagonistic votes. Article 216 of the constitution states: "There may be established by law a Special Section in budgets, whose periodic examination shall not be necessary, which include the permanent ordinary expenses of Administration". This is interpreted as authorizing what would be known as a "consolidated fund" of ordinary fixed payments. The provision would not exempt these items entirely from parliamentary examination, but it would give them greater freedom from scrutiny than new appropriations requests would have.²³⁸ No such formalized fund has ever been established. An arrangement which is virtually identical in effect, and which has caused much trouble, has developed from article 86 (2) of the constitution. This provision states that "All other Laws [than the budget] which imply expenses for the National Treasury must indicate the resources with which they will be covered" The result has been to earmark an enormous number of small taxes for special purposes, so that both the taxes and the activity remain virtually sacrosanct.²³⁹

The Assembly is not in a satisfactory position regarding examination of accounts or postaudit reports. Although article 215 of the constitution provides for the presentation of annual accounts by the Executive Council to the Assembly within 6 months after the end of the fiscal year (which is coterminous with the calendar year),²⁴⁰ this seldom occurs. The Assembly may reject these reports in whole or in part.²⁴¹ The constitution makes no mention, however, of steps to be taken in case of such rejections, nor is there a statement regarding responsibilities in case either of non-compliance with the constitutional provision or of misuse of public funds. The Executive Council attempted to fill this gap by legislation enacted in 1953, but the auditing agencies called for have not been established.²⁴²

The obvious difficulties of actually closing the books when the budget and appropriations have several years yet to run, plus the lack of precision in the original appropriation laws, make the provision for annual post-audit reports difficult to observe.²⁴³ As a result, no government is ever called to account within its own term of office. Further, although there is a Central Accounting Office for the government, there is no standardized reporting procedure so far as the Assembly is concerned.²⁴⁴

Prior to the present constitution, the Assembly had a joint Committee on Accounts. The committee often failed to take action on reports other than

to place them in its files.²⁴⁵ The 1934 constitution established the Accounts Tribunal, gave it both pre-audit and post-audit functions, and ordered it to make annual reports to the Assembly regarding the accounts rendered by all government agencies.²⁴⁶ Although on several occasions the Tribunal has proposed to the Executive Council bills which would implement the constitutional prescription, no law has yet been passed.²⁴⁷ The result is that no satisfactory reports of any kind are now made to the Assembly, although several organizations existing either in fact or in blueprint are commanded to make such reports.

The present inadequate system of reports to the Assembly was symbolized by the bill sent to the Assembly by the Executive Council on July 1, 1960. The bill theoretically "reported" the accounts for fiscal year 1959, although in fact it was only a draft approving the accounts which did not themselves accompany the bill and which were not reported until some time later. The Council itself had spent about 30 minutes discussing the matter during its meeting of the night before.²⁴⁸ It is true that both Councillors and Ministers are subject to 6 months' "residence" at the end of their periods of service, during which time they may be accused of malfeasance in office. This is a holdover from the practice during the Spanish colonial period of requiring royal appointees to undergo a "residence"; the former official may be excused from the obligation by a special vote in the Assembly²⁴⁹. It is presumably true that in case of flagrant failure to fulfill official obligations, charges could be filed; but since the Council itself is not given a completed report for examination prior to the deadline for transmission of reports to the Assembly these officials can hardly be held individually responsible for this aspect of their action. The system obviously is at fault, not the officials. This is the general reaction, at any rate.

The general concept of the budget which is held by Uruguayan political leaders needs to be examined. A Budget Office in the office of the Executive Council is seriously needed in order to permit this organ of government to perform the duties and use the power assigned it in the constitution. It appears that the real reluctance which has been shown toward accepting such an office is based on two arguments. Relinquishment of the burden of administrative details involved in the preparation of the budget would deprive the politically-designated officers of their ability to control this essential document. In a sense this is true, if it thereby argued that they would no longer be free to involve themselves in the most minute details so as to control it for spoils purposes. If their newly-won freedom from detail were actually to be used in the form of time to devote to the essential problems of national policy, however, both they and the country would gain.

The second argument is implicit in the first: turning such an important administrative matter over to an impersonal agency would imply the recognition of the budget as an impersonal instrument. This runs counter to all practice in Uruguay, as well as in all of Latin America. The essence of politics is personal relationship, and the electoral system of the country encourages this in nearly all possible ways.

The establishment of a budget which would be annual and unified, and which would serve as a programming instrument, would strike at both

arguments. In this important area of public administration, the weight of vested interest and desire to continue to play the game have overbalanced whatever arguments might be advanced in favor of efficiency. Until the country's leaders decide the game no longer can be afforded, it appears that no urging based on rational arguments will be effective.²⁵⁰

Personnel administration

An additional problem which frustrates any goals of effective administration is found in the field of public employment. The personnel problems of Uruguay were highlighted by John O. Hall's study published in 1954. At that time he observed that

1. The fundamental law concerning the civil service lacks implementation
2. There is no efficient Central Personnel Office
3. Appointments and promotions are generally of a political nature
4. Jobs have not been submitted to adequate analysis, description, or classification
5. Salaries are low, unequal, and bear no relation to the duties and responsibilities of the position
6. The performances of employees are not properly evaluated
7. There is no program of in-service training
8. The present rigid budget interferes with personnel administration²⁵¹

At the heart of the matter is the provision that any "budgeted" employee enjoys almost absolute protection against removal except by procedures which drag on interminably, and involve action by the Senate even for the lowest ranks. Some government employees are hired for temporary positions, but these, too, tend to become permanent. Under any circumstances, discharge or disciplining of inefficient workers is very awkward.²⁵² The task of determining what constitutes "efficiency" would be facilitated by the existence of criteria established by job descriptions and analyses. While some studies have been undertaken, especially in ANCAP and the Banco de la República—which are considered widely to be the best-ordered agencies, either in the central administration or in the autonomous services—generally they do not exist.²⁵³ As an example of the problem, it was not until 1958 that a legal meaning was ascribed to the term "*Cargo Técnico*" (Technical Position), although it had appeared many times in specific legislation in previous years with reference to salary grades and standards of performance.²⁵⁴

There is much concern—if not too much, perhaps—for the rights and status of government employees. A specific effort has been made to establish a career service. The Statute of Functionaries for central administration employees, which is intended to establish this service, is described in some detail in the 1952 constitution,²⁵⁵ and the autonomous entities and Departmental governments are ordered to prepare their own Statutes in accord with these norms.²⁵⁶ Employee representatives participate in the settlement of any controversies between employees and supervisory personnel,²⁵⁷ no employee may be denied counsel when he is involved in any parliamentary investigation alleging irregularities or malfeasance,²⁵⁸ and employees are represented in any panels which rate, promote, or discipline employees.²⁵⁹ The constitution also provides that "The employees are at the service of the Nation and not of a political fraction", and that po-

litical activity or proselyting during office hours is improper.²⁶⁰ The consensus of informants indicated that the guarantees against abuse by superior authority are observed scrupulously in most instances, but that the limitation on political activity seldom is observed.

The 1960 budget offers an interesting listing of devices by which an employee's basic salary may be adjusted, revised, and expanded.²⁶¹ The central administrative service is divided into five different scales or *Escalafones* by the salaries budget. Each scale is divided into categories, and each category into grades. Scale I includes technical and professional personnel,²⁶² scale II all personnel of the Foreign Service,²⁶³ scale III the general administrative services,²⁶⁴ scale IV the "specialized personnel",²⁶⁵ and scale V the "secondary and service personnel".²⁶⁶ The 1960 budget provides that each pay grade will receive a biennial increase amounting to approximately 10% within its category, until all general administrative employees (scale III) will be paid at only four basic levels, and until all scale I and scale V employees are paid at only two basic levels. The appearance is of an attempt at some standardization, although the fact of 5 co-existing salary scales suggests a good deal of potential confusion and duplication. This condition is just as present as when Hall observed it in 1954; a given degree of skill may be rewarded by widely varying compensations.²⁶⁷

A study based on interviews with a representative sample of "over 1000" (sic) employees, published in 1956, concluded that the government employs as many people as possible and pays them as badly as possible.²⁶⁸ The best possible estimates showed that in January, 1956, the central administration employed 89,500 persons, the autonomous entities 48,000, and the Departmental governments 20,000, a total of 157,500 in all. Since the Ministry of Industry and Labor estimated 570,000 salaried workers in the country at that time, about 27.6% of all workers received income from government employment.²⁶⁹ The study showed that 48% of all employees worked the "government week" of 29 hours or less, with an additional 20% working an average of 36 hours weekly.²⁷⁰ 47% of all employees had second jobs. Those without second jobs included police, some military personnel, court employees, foreign service personnel, and certain other categories of persons who are precluded from second jobs either by locations or regulations; these categories comprised about 16% of the entire group, so that of the 84% of government employees able legally to hold second jobs, well over half did so. 57% of all male and 28% of all female employees held second jobs. 59% of those with children did so, as against only 39% of those without them. It was therefore apparent that need for additional income was a vital factor.

Informants in the study also indicated that many held second jobs because they felt they needed the challenge; a very large percentage reported their regular jobs uninteresting if not boring. Closely related to this observation was the fact that higher percentages of the well-paid employees held second jobs than in the lower-paid ranks. Equally related was the fact that 8% of all employees not only held second jobs but actually performed them while theoretically working for the government!²⁷¹ Perhaps the most surprising observation, and indicative of no little ingenuity, was the report that 11,000 admitted holding two reported jobs with the

government, and 8,000 more held two jobs although they had not complied with the law which obliged them to report them—since the law prohibited such duplicate employment in 1953, although it had not yet been enforced.²⁷²

If the average employee is paid too little to survive on his government salary alone, and this is indeed the fact in 1960, it is not for lack of devices by which it can be padded out. All public employees receive pay and fringe benefits beyond their base pay.

All recipients of public funds, whether government employees or pensioners, receive special year-end payments of various kinds. The "*aguinaldo*" or Christmas bonus is rather common, especially in the Autonomous Entities which have their own budgets, and which, incidentally, vary considerably among themselves with regard to base pay scales.²⁷³ A special law granting a blanket year-end payment to all who might not have received one in any other way is comparatively common.²⁷⁴

A wide variety of central administration offices receive incentive pay. Originally these were intended to reward personnel in income-producing offices for efficiency or for the temporary nature of their jobs. The recipients of these additional payments have increased in numbers as the participating offices have been increased, so that incentive pay today is granted to nearly all employees who handle money who are also obedient, punctual and prudent in their behavior. The rating scales normally used allot only about 30% of the weighting to efficiency.²⁷⁵

There is no general policy regarding longevity or in-grade raises for central administration employees, and the policy has been to promote in grade even though no added responsibilities are assumed. A rather high percentage of over-graded employees therefore can be found in nearly all offices.²⁷⁶ There are exceptions; police, and teachers in the grade and secondary schools throughout the country receive longevity increments. Many of the government banks grant within grade raises on a dual basis of longevity and merit.²⁷⁷

All employees in some divisions of the government receive "compensation" pay. This is offered occasionally as if it were akin to "hardship" pay, as in the case of teachers in rural schools or in regions defined as "bad locations".²⁷⁸ Police customarily are given compensation on the basis of their obligation to be available for duty at all times, as are members of the armed forces. Employees of the Courts, including government attorneys, also receive compensation pay; it will be recalled they also are forbidden to hold second jobs. In many instances, the additional increments are scaled upward both absolutely and in percentages toward the higher pay grades.²⁷⁹

Family allowances are paid to nearly all workers in the country, both public and private. The employee receives an increment per dependent beginning with the first child or second adult dependent, paid from a fund which is based on a one per cent deduction from the gross salaries of all employees (the legal term for this deduction is *montepío*) and on contributions by employers and the government.²⁸⁰ Payments are made for illegitimate children, provided they are recognized by the father or where a court has established legal parentage, as well as for legitimate children. In addition, maternity, marriage, and birth gratuities in the form of a

lump sum payment, are made in some types of employment.²⁸¹ Those receiving more than an established maximum monthly income are not eligible for the benefits. The ceiling has been raised progressively as inflation has affected average national salary scales. There is a distinction made between private and public employees in the matter of ceilings, with the former treated somewhat more generously by the law. The distinction is based on the fact that with the latter only the base salaries are considered in calculating maxima.²⁸²

All public employees may benefit by the rent guarantee service. This was established in 1936 by the Terra dictatorship, and remains in force. The office of the Accountant General (*Contaduría General de la Nación*) deducts the employee's rent payments from his salary or pension payments, within certain limits (to prevent overcommitment by the employee to housing too expensive for him), and pays these funds direct to the landlord. The arrangement appears to save some rent costs for the employee. It also provides the legal guarantee for the regular payment of rent which is so common a feature of life in Latin America.²⁸³

A final very important fringe benefit for certain groups of employees is the mortgage loan system open to those in selected agencies with the requisite seniority. Loans may be used for the purchase, construction or remodeling of homes. The original law in this regard was the so-called "Ley Serrato", no. 7,395, of July 13, 1921, which extended limited borrowing privileges to both public and private employees of over 10 years' seniority, and status in a retirement fund (*Caja*); it permitted purchases of homes only for their personal use.²⁸⁴ The result has been a substantial aid to improved living conditions, and also a cause for employee commitment to a political system which facilitates the upward social movement implicit in home ownership.²⁸⁵ It is still evident, however, that the great majority of government employees is not well housed;²⁸⁶ the condition can only be attributed to low total pay in spite of all government efforts.

The situation regarding personnel obviously indicates the need for serious reconsideration of policies. The complexity of the pay system is capable of concealing both excessive personnel, in terms of functions to be performed, and much monetary error. No agency feels any need to demand efficient performance from its employees, since for every supervisor who demands fulfillment of obligations there is at least another who is more interested in "empire building" than in competence and efficiency.²⁸⁷ No agency feels obligated to keep accurate figures regarding its personnel costs, and as a result the total bill for salaries and wages is impossible to calculate. Some concrete illustrations appear from time to time. In August, 1958, the management of the railroads reported that 72.7% of the operating budget was devoted to wages at the time, and yet a new strike was in the offing.²⁸⁸ In March, 1960, Héctor Grauert sat as a substitute National Councillor during a sick leave by César Batlle. He had been Minister of Public Works in the preceding government; many of his non-permanent appointees in the Division of Highways had been released, and many permanent employees who had abused their privileges had been fired for cause. His vigorous questioning of Minister Luis Giannastasio brought a detailed

and equally vigorous reply. Giannastasio cited, as one example among many, the situation in the Colón factory shops for maintenance of heavy equipment. In a seven-month period in 1958, 313 new employees, including 80 women, had been hired, although not a single peso had been spent on spare parts. The road maintenance section had terminated all work on the roads in April, 1958; its entire budget was being used to pay personnel and none was left for fuel, equipment, and materials.²⁸⁹ Interviews with government officials provided innumerable examples from other areas of the bureaucracy.

Under the existing conditions, the question of honesty and integrity surely must be considered. There can be little doubt that corruption is increasing, although it would be hard to give any positive figures. It is obvious that the individual's request for a pension due him under the law is expedited by the payment of a modest fee to a *despachante* or expeditor, even though such a profession is prohibited under the law.²⁹⁰ The writer was presented with documented instances of government officials in positions of high trust who demanded as much as 250,000 pesos for obtaining a license for the importation of machinery essential for the establishment of a new business, although there were no legal obstacles to such importation. The situation is not so much the obvious matter of *coima*—a slang word which refers generally to receiving money for purposes which are not strictly honorable—as it is that of misappropriation of government materials, use of government facilities for personal advantage, and abuse of the prerequisites and prestige of government office for private gain. Perhaps none of these necessarily violates the law; yet interviews repeatedly reveal the belief that dishonesty is arising. At the same time, however, there is the clear implication that this is regarded by the general public as a minor offense, since nearly everybody is involved and only the government loses.²⁹¹ Because the government deals so intensively with everybody, the cheaters really cheat their countrymen; this is not considered seriously enough for any action to result.

Conclusions. The constitutional system and administration: compulsive inefficiency?

It is evident to the observer that the Uruguayan government is organized in a most inefficient manner. Multi-member bodies are used to make decisions and to direct complex government operations in an almost infinite variety of areas, although both reason and experience confirm that this is disadvantageous to the country. There has been a determined adherence in the past to forms of decentralization of governmental power which have proved themselves contributors to confusion and duplication of effort, and this appears to continue today. The legislative branch appears to take advantage of its privileges within the constitutional system, and to subject the executive branch to partisan heckling, and there is no evidence that there is enough concern by legislators for the national welfare. The courts are undermanned and underpaid, so that justice has become slow and, many Uruguayans would argue, somewhat uncertain. Last, but certainly not least in importance, it is clear that although serious

students of public administration, both foreigners and Uruguayans, have published incisive analyses of the faults of the bureaucracy, no significant action has been taken to correct the obviously bad conditions which exist.

The outsider is confused by the complexity of the problem, much as are many Uruguayans, at first glance. It is clear, for example, that a broader conception of the policy role of the Executive Power is needed, and that the organic limitations of a multi-member body should be understood. Mere tinkering with the form of the Council, as is proposed by a number of current political leaders, would be only a palliative without significant effect. By that token, however, a single President would not correct the situation if he were not given the powers which the executive office must possess. It is clear, also, that the executive branch needs assistance in the form of planning and management assistants, although there is much less general clarity of understanding on this point, at least among Uruguayans. It is possible that the establishment of the position of Prime Minister might serve some useful purpose, so long as the Assembly is to continue to have the power of interpellation and censure, since direct and personal representation of executive views before that body would appear to be necessary. In view of the propensity of Latin Americans, including Uruguayans, toward the development and acceptance of strong executive officers, however, it may be suggested that political and administrative checks might be more useful than those of a parliamentary nature.

Although few Uruguayans genuinely understand what is wrong basically with their system, all feel uneasy in some degree. The investigator receives this impression inescapably, for Uruguayans are open and articulate in their discussion of politics and their complaints. The great majority feel bound by the complexity of the system, however, so that if they regret or even resent it, they feel that little can be done about it. To a surprising degree, the outsider associates himself with the situation at first, for it is difficult to realize that a people so obviously intelligent and staunch of character could be their own enemies.

The fact remains, however, that the entire country depends on the government to some degree. Nearly everybody contributes to retirement funds, and many live in part from the income received from the funds or from a government job. Many jobs are, in fact, only intended to make work for somebody, rather than to perform a function or service which is essential for the progress of the system. If efficiency were to become the criterion for personnel or budgetary administration, it would throw out of work a substantial percentage of the wage-receiving population. If decisions were made by single individuals, instead of multi-member bodies, it is quite possible that the average Uruguayan would feel that the procedure was "undemocratic", regardless of its efficiency.

The complexity of the political system, including forms of political behavior, has been observed. In effect, politics has become a game in which the players principally are the professionals. There is much expression of desire that this situation remain, for in this way the average citizen

can erect a curtain of indifference behind which to conceal his reactions and acquiescence. At the same time, however, there is much tolerance for the player who has lost out; the maintenance of the electoral system permits him to return to fight again another day. In the meantime, the governmental system offers a refuge, for spoils are always available, even to the defeated.

It may be suggested that if this system were actually to be changed, and the logical results of total overhaul were to occur, mass unemployment, depression, and ultimate violent leftward movement might result. But such a conclusion must remain tentative until the survey of the system is complete.

CHAPTER V

ECONOMICS AND SOCIAL WELFARE: THE WEAK LINKS OF THE SYSTEM

The government of Uruguay has committed itself more completely than almost any other to the welfare of the average citizen. It is also a country in which the science of public administration has been granted less systematic and emotional attention and regard than any other of the skills of government. It has been shown that the political parties of the country foster this continued apparent indifference to this vitally important factor however. It therefore appears that much of this commitment to social welfare has been carried out only in limited degree, and with much inefficiency.

The final aspect of the national structure which therefore must be examined is the economic. Can it be said that the economy of the country, in the circumstances of the last decade, is sufficiently vigorous or strong to permit the continuance of these invidious and wasteful practices and simultaneously to permit the achievement of the goals of fostering the material and spiritual welfare of all the country's inhabitants who need such support? The examination of such a question is, in fact, central to the conclusions which must be reached, for it is in the areas of social and economic policy that the future of the country is being determined, by forces which ultimately outstrip the froth of party politics in their definitiveness.

SOCIAL SERVICES AND THE STATE

Social advance: the roles of Varela and Batlle

The goals of social welfare, and the techniques employed for reaching them, derive basically from the social theory of José Pedro Varela and his followers, and from the political enactments and positions of José Batlle y Ordóñez and his political faction, both during and after his life. The techniques themselves will be discussed subsequently under three arbitrarily-drawn headings, the individual, the family, and society. At this point it will be useful to state the positions of the two pacesetters involved in these developments. In all of the activities in this area of concern, the prime responsibilities of the Ministry of Public Instruction and Social Welfare should be recognized.

Varela is regarded as Uruguay's earliest leading figure in the field of public education and social reform.¹ His father had indicated the family's interest in education through his translation, in 1846, of the first pedagogical book to be published in the Platine area, although the wish was for Varela himself to enter business. In 1867, at the age of 22, he began a year of travel and study in Europe and the United States. In the latter country he was influenced greatly by the progress which was being made in the field of "scientific" public education, and he duly reported it in letters which were published in Montevideo newspapers.² He also was influenced by close contact with the Argentine Minister to the United

States, Domingo Faustino Sarmiento, who was to return to his country in 1868, and to initiate his famous social and political reforms.³

Varela accompanied Sarmiento as far as Montevideo on the return trip, and began his own work immediately. Before his untimely death in 1879, he founded the Society of Friends of Popular Education, which he used as the organizational base for remaking completely the country's educational system. Public education of all children would eliminate gradually the intense class distinctions and consciousnesses which hampered the country, he argued. "Until all men prepare themselves for the Republic, in the public school", our existence will always be precarious and chaotic. He argued against the injustice of the situation in which the constitution gave the vote only to citizens (as was the case by articles 9 and 11), but in which the government was unable to provide education, so that otherwise-qualified persons could not obtain this citizenship. The schools could raise the level of living and of productivity of all Uruguayans, both urban and rural. Challenging his compatriots, he asked, what if all Uruguayans were as well-prepared, intelligent, and capable as Swiss, Yankees or Germans? Then there would be no fear of being overwhelmed by Brazilians or Argentines, politically or economically.⁴

In 1874, Varela published his first full presentation of his ideas in *La Educación del Pueblo* (The Education of the People), a two-volume work of over 600 pages. These ideas were restated more briefly in 1876 in *De la Legislación Escolar* (On Educational Legislation), a volume in which he proposed a complete overhaul of existing laws on education. "In the forty-five years of independent existence which we have enjoyed, our Assemblies have not enacted a single [national] law concerning public schools."⁵ Under his leadership, and with the aid of the occasionally forward-looking dictator Lorenzo Latorre, professional standards were established through the enactment of the suggestions incorporated in his second volume. National control of the schools replaced Departmental control so as to standardize practices and curricula and to eliminate political hangers-on from teaching positions, and the principles of free, lay, and universal public education were adopted.⁶ His passing did not disrupt the process which had been begun, and there has been continued progress.⁷

As a Deist, Varela took a strongly anti-clerical position in regard to education and to all social reforms. The Church reciprocated his attacks.⁸ He deplored the political and social history of the country, arguing that it was little more than a formalizing of the division of power and spoils between the "family" of the well-born city bourgeoisie who controlled Montevideo, and the rural caudillos who kept their backward areas in a condition of barbarism. "In those forty years of independent [national] life there scarcely has been a single public document for which we should not feel shame; scarcely has there been a single year which does not . . . disgrace the republic. . . ."⁹ Theoretically-existing freedom, be it of will or of politics, has been perverted in practice, so that changes of government brought only the appearance of policy change but not its substance.

Governments are not the cause of social conditions, but the effects [It is mistaken] to believe that a change of government or, better said, of personnel in government, changes the essential conditions of the life of a people Bad governments, then, are not what bring permanent disgrace to nations, [but rather] the social conditions of these same nations¹⁰

Varela pointed out the paucity of the population in the country. "*La República Oriental*, in its entirety, has less population than a single third-rate city", he argued, and urged measures to correct it. He remarked that Uruguay lived in a triple crisis—economic, political, and financial in nature; it was derived from a national budget which was too large for the carrying capacity of the economy, the overwhelming influence of Montevideo in regard to commerce and real property values, and the absolute dependence of the country's economy on stockraising. The imbalance went so far as to require the importation of vegetables, milk and cheese to what was basically an agricultural and pastoral country. He saw that all of these characteristics were increasing in prevalence, rather than diminishing through economic diversification.¹¹ He held that this condition was reinforced by the curriculum and instructional attitudes of the University, and his sharp attacks ultimately led to reform of that institution in the 1880s by a group calling itself "*varelianos*".¹²

Varela's thought was not independent of his time and contemporaries. He was a lifelong reader of materials in English, French, German and Italian, and his published works reflect the effects of this exposure.¹³ Argentina's prolific and noted Juan Bautista Alberdi, whose discussion of constitutional theory played a central role in the making of the Argentine Constitution of 1853, and the even more impressive and widely-read Sarmiento, with whom he had been associated briefly, appear to have influenced him more greatly. Both were concerned with a country with similar problems and characteristics, and had opened social and philosophical paths for his examination.¹⁴

Like these two, Varela was intent on action as well as discussion. He ran for the minor judicial and executive post of *Alcalde Ordinario* of Montevideo in 1875, and was defeated;¹⁵ yet during the following year he was political realist enough to combine forces with the *Asociación Rural*, an organization of great ranchers which he previously had attacked as part of the oligarchy which had prevented essential social progress, to assist Colonel Lorenzo Latorre to "assume all powers."¹⁶ In subsequent months, Latorre was to show that he valued Varela's ideas on educational reform, and he enacted most of them by decree.¹⁷ Despite the criticism this brought him from those more idealistically inclined, Varela was intent on obtaining the reforms he felt were needed by the country. Alberto Zum Felde remarked, "... perhaps, because of the furious opposition which it provoked, it would not have been possible to accomplish it under a weaker regime."¹⁸ For whatever reason, Varela's action allied him with a man thought by the majority of intellectuals to be a major devil. At the time of his death, Varela was partially alienated from the group of intellectuals which called itself the "*principistas*", or supporters of principle against tyranny.¹⁹

The public school system of Uruguay today clearly shows the results of Varela's intentions. Of this, more shall be said later. It was José Batlle y Ordóñez who personified more than any other the successful politician and practical social reformer. Batlle's intense concern for remaking the social and economic structure of the country, as well as its modes of political behavior, genuinely changed much of it. Examining the record, one writer has said, "... one must ask not only, 'who was Batlle? but also, what is Batlle?'"²⁰

Batlle's career was marked by concern for many of the same intellectual currents as Varela's. Eleven years younger than the other man, Batlle entered the University of Montevideo in 1873, five years after Varela began his movement for educational reform. Batlle left the University, without having completed his degree, in 1879. His position was partially that of rejection, not only of the instruction of the University, but of Varela himself, insofar as Varela had cooperated with Latorre. He fitted into the anti-Catholic, anti-positivist, and rationalist position first stated in Uruguay a decade previously by Varela, however.

In November, 1878, Batlle and fellow students established a student journal, *El Espiritu Nuevo* (The New Spirit); its proclaimed mission was "the total emancipation of the American spirit from the tutelage of the Old World". Its principal concern was philosophical rather than political, and Batlle was elected Vice President of the section on Philosophy of the *Ateneo* of Montevideo about this same time—a clear indication of his principal interests. The journal published some class notes—then as now a principal function of student organizations in Latin America,—translations of works published elsewhere, and some original articles. At the same time, however, Batlle sought the termination of the essentially feudal conditions under which the country lived.²¹ The journal had some effect, but economic difficulties quickly forced its termination; it appeared only until September, 1879.

Shortly afterward, Batlle became discouraged at the rigidity and weight of the system against which he rebelled, and with a friend entered a form of self-imposed exile in Paris. He attended the University for a time and experienced the broader intellectual currents of western Europe. He was forced by a lack of funds to return to Uruguay in February, 1881.²² He began participating in the political journals of the era, and became a journalistic thorn for the recurring governments of force. He was imprisoned for a brief period by the dictator Máximo Santos, who had succeeded Latorre, and plotted briefly and unsuccessfully and was captured on the battlefield of Quebracho in March, 1886, by Santos' troops under the command of General Máximo Tajes. Nearly all of the prisoners were pardoned, however, and on July 16, 1886, Batlle established his new personal journal, *El Día*.²³

After this brief flare-up of attempted violence against the government, Batlle's concern was for peaceful political organizational action. After an unsuccessful attempt on his life, Santos appointed a new cabinet of "conciliation", composed of representatives of the various interest groups. On November 18, 1886, Santos abdicated and left the country.²⁴ In this atmosphere, in March, 1887, Batlle began the work of reorganizing and broadening the somewhat moribund Colorado party. The party itself needed to be freed of the taint resulting from the support it had given to odious dictators in the past. President Tajes, who succeeded to the office after Santos' self-exile, had scheduled an election for members of the Chamber of Deputies, and something needed to be done to prevent the Blanco party, which in both appearance and fact symbolized the great landowners of the Departments of the Interior, from obtaining and controlling power by an election.²⁵ *El Día* remained Batlle's public voice during this period. He used it very actively in an effort to awaken his compatriots to the evils of the social and political circumstances of the period.

In May, Tajés appointed Batlle to be *Jefe Político* (political chief, the delegate of the national government, with full governing powers) in the Department of Minas. His performance of this office was exemplary and courageous, although it lasted only for six months.²⁶ Batlle clearly felt the appointment had been made in order to shunt him out of the capital and to involve him in political and administrative details, so that he could not continue his organizational work. With the acceptance of the post, he lost the freedom to play as active a role through *El Día* as he had hoped, and the paper's problems were heightened by lack of money resulting from falling circulation. Batlle's editorial and organizational work had been exceedingly candid, and often had injured those holding established positions within the party. He therefore decided to resign the post in Minas and to run as a candidate for the Chamber of Deputies. His departure from the office occasioned a sharp exchange with Tajés, and, although the Colorados carried all but three of the 19 Departments (Minas was captured with an announced 67% of the vote) it was announced that Batlle had been defeated. Batlle's biographers imply it was because of his independence of viewpoint.²⁷

El Día was reopened in December, 1889, and Batlle now used the paper to support the candidacy for the presidency of the oligarchically-minded Julio Herrera y Obes. Herrera was elected by the General Assembly on March 1, 1890.²⁸ Later in the year, Batlle became a Deputy from the Department of Salto, in opposition to the expressed wishes of both Herrera and the party's Executive Committee chairman, Juan Idiarte Borda, who later was to be President from 1894 to 1897.²⁹ As the two men took the government and the party farther from Batlle's idea as to the proper ideological position, he entered more vigorously into the opposition.³⁰ His struggle against the conservative, oligarchical and comparatively corrupt forces within his own party was ended by the civil war of 1897 and Idiarte Borda's assassination.³¹ A government of conciliation, supported by all the parties, was headed from 1897 to 1903 by Juan Lindolfo Cuestas.

Batlle was elected to the Senate in 1898. In 1899 he became President of the Senate and thus second-ranking elective official in the country, until a coalition of conservative Colorados and Blancos expelled him from the post in 1900. He continued his organizational and ideological efforts within the party, however, with much success, so that in 1903 he finally became the President of the Republic.³² The country's highest post allowed him nearly full control of public policy and the opportunity to forward his broad program of social and economic reform. The Blancos rose against the government in 1903-1904, but Batlle used his hard-won victory over them as a means for final establishment of central governmental control over the entire national territory rather than as the basis for a further territorial partitioning of the country between the two parties.³³ Henceforth, he proposed in effect, national policy would be cast in such manner as to preclude any hope for territorial and political divisions to acquire significant or useful bases.

Batlle appears not to have been affected directly by the broader aspects of Varela's social thought or policies, in spite of the significant parallels which can be found. The concurrence of Varela's educational mission with Batlle's University career was too brief for any specifically recorded intel-

lectual contact. On the other hand, Batlle's personal observance of the contemporary scene was sharpened by the fact of his being the son of a one-time President.³⁴ When he began political activity, Batlle's clear goal was directed toward both party organization and liberal social policy. This was only partly idealistic in nature, for while it was based on his comparatively early confrontation with Varela's ideas on the need for and the potential value of free popular education. It also grew out of his evaluation of the outbreak of a series of serious strikes seeking amelioration of exceedingly bad working conditions.³⁵ The party which he determined to organize was frankly one for the workers, not for any idealistic reason but because he realized that this was an issue which would contribute to accomplishment of national goals, and also on which the future of the party and himself would be built.³⁶

Because Batlle's position was largely empirical, its full definition did not develop until a party convention of 1921 adopted a lengthy two-part statement listing 37 policies which had been enacted into law, and describing 40 more which would be the future goals of the batllista wing of the party.³⁷ During Batlle's life this program remained the avowed goal of the country's major party, and it remains a conditioning factor on all Uruguayan political and social thought down to the present time. If it can be said that Uruguay possesses a national ideology today, it is clear that it is based as much on this program as on any other public statement.

Social welfare measures and beneficiaries: the individual

It has been shown that the government employee is benefited by a wide range of fringes. Although many of these are in the form of additional salary increments, there also are other types of benefits. It is partially because of all of these that government jobs are sought, since it is evident that their holders are regarded by the general public as recipients of favors not available to employees of private enterprises. All employees, public or private, are assured a broad variety of benefits, however, and the apparent special privileges of the government employee are matched in large part for private employees. In this area, as in many others, administration of the law often causes practice and theory to diverge. Theory is stated in articles 40-49 of the constitution. Clearly, the relevant provisions relate closely to José Batlle's announced intentions regarding the social obligations of the state.³⁸

Health—The individual is the indicated beneficiary of rather broadly-based health and medical care policies, as well as of retirement and pension programs. The health of the average Uruguayan is excellent, especially in comparison with standards in other parts of Latin America. Statistics appear to prove that he can expect to have it remain so for a longer period of time.³⁹ This is partially explained by the country's possession of more medical doctors per capita than any other Latin American country.⁴⁰ Other contributing factors are the generally healthy climate, the high comparative per capita wealth,⁴¹ and the comparatively diversified dietetic habits of the people.⁴² Medical care is comparatively easy to obtain. The free or low-cost care by the facilities of the Ministry of Public Health are not obtained by persons of modest income without great personal effort, however. The difficulties which they must overcome or endure are prover-

bial and typically "Latin". So great are they in fact that the Uruguayan Institute of Public Opinion found that of a representative sample of 906 respondents questioned in 1956 and 1957, 61% were members of "mutual" care societies, and 31% obtained private care in whole or in part.⁴³

The Ministry of Public Health maintains, under the budget enacted in 1960, Departmental Medical Aid Centers in the capital city of each Department. In addition, 29 Auxiliary Medical Aid Centers are maintained in the larger populated centers, 6 large hospitals are maintained in Montevideo, and there are seven institutions for the treatment of mental, obstetrical, and other cases. The Ministry maintains four specialized research institutes, and an ambulance service in Montevideo.⁴⁴ In addition, the University Medical School maintains the huge *Hospital de Clínicas* named for Dr. Manuel Quintela, in Montevideo. The construction work on this 22-story building was completed in the early 1950s, after having been in process for nearly a decade. Lack of funds and jurisdictional disputes have continued to hamper its full use, although it is used almost as much for research and teaching as for low-cost public medical care. The management of this institution has continued to be a difficult point; recent reports by professionals to this writer indicate that international political ideologies and nationalism have been allowed to upset normal routines and procedures. In addition, in early 1960, budgetary shortages forced curtailment of professional staff and even of supplies of medicines.⁴⁵ Despite these aspects, it is evident that Montevideo has a disparate share of the governmental medical facilities of the country. The situation is even more disparate if private facilities are considered.⁴⁶

Social Insurance and Retirement—The individual also is the beneficiary of a broadly-based social insurance and retirement program. No inhabitant of the country today is without assured access to income in his later years, as well as in case of physical incapacity, whether he has contributed from his own income or not. 30% of all Uruguayan families have members receiving some form of retirement of permanent disability pay. The program therefore occupies a major position in the national economy. So widespread are the payments, and so low the age for eligibility, that Uruguayans feel generally that retirement should occur at an age substantially below that permitted in general legislation in the United States.⁴⁷

Concern for income after retirement was indicated by provisions in the budget of 1831-1832, the country's first, when provisions was made for retirement payments on a contributory basis to certain government officials.⁴⁸ A law in 1838 established salary deductions from the pay of certain categories of government employees so that civil pensions and retirement payments might be made.⁴⁹ A teachers' retirement program was established in 1896,⁵⁰ and a law of July, 1914, provided for insurance payments to victims of labor accidents and occupational diseases.⁵¹

In October, 1919, the concern was extended to certain areas of private employment, when the *Caja de Jubilaciones y Pensiones de Empleados y Obreros de Servicios Públicos* (Pension and Retirement Fund for employees and workers of the public services) was established. Only one of the activities affected by this law was then owned by the government, although by 1960 all but one was in government hands.⁵² The Fund was to be supervised by an Honorary (non-paid) 9-member Directorate, with the employers,

employees and government equally represented. The Fund's income was to be derived from payments by the employing companies equal to 8% of the wages paid, by a 4% deduction from wages paid to employees, and from donations, fines, interest from accumulated funds, and the proceeds from the sale of articles left on street cars. In addition, the first month's increment in case of a pay raise above a base salary of 50 pesos monthly was to be contributed.⁵³ Basic rules for calculating pensions were established; they would be at full pay for persons in lower income groups, after 30 years' service, scaling down to 57.9% for salaries in the executive categories.⁵⁴ In case of the death of the titular beneficiary, his heirs would be entitled to half payments.⁵⁵ Earlier in the same year, a general old-age pension law was enacted by the Assembly.⁵⁶

The network of pensions provisions broadened gradually from these beginnings. Significant blocks of government workers were blanketed into the system in 1925 and 1931; the law of July 2, 1940, brought in all remaining groups which might have been missed.⁵⁷ Simultaneously, small groups of private employees were being brought into pension Funds, until finally, in January, 1948, it became necessary to bring some organizational order into what had become chaos.⁵⁸ Three separate major Funds were organized, in the fields of Industry and Commerce, Civil and Educational employees, and Rural and Domestic employees and old-age pensioners. The three Funds, each in its own right a confederative body, were organized into the *Instituto de Jubilaciones y Pensiones del Uruguay* (Pensions Institute of Uruguay).⁵⁹ Each Fund was organized as a Decentralized Agency, and thus has some slighter degree of managerial and policy autonomy than would be the case if it were administered directly by the national government. Each is guided by a five-member council appointed by the Executive branch of the government, with members serving four-year terms. The councils are advised by nine-member Advisory Committees composed of representatives of the Associations of persons affiliated with the Funds.⁶⁰

As additional groups of private employees or of farm or domestic workers have been blanketed into the system, the Pensions Institute itself has been reorganized somewhat.⁶¹ The goal has remained, however, that all residents shall have retirement incomes related to the cost of living.⁶² Although these payments shall be based on contributions, the State will assume responsibility for deficits in the Funds.⁶³

Retirement payments now are based on a point scale. One point is awarded for each year of age, and one for each year on the job. All jobs which involve contributions to Funds within the Institute are interchangeable for purposes of point accumulation, so that a person may move from public to private employment, or the reverse, without loss of standing. 90 points entitle the employee to retirement pay equal to the average salary in the last five years of employment, provided not less than 30 points are accounted for by job longevity. Pension payments are subject to *montepío* (contributions to the retirement Funds) except in certain cases. In addition, larger pensions also are liable to deductions which are scaled in rising 5% increments over a minimum figure. This minimum has risen gradually in recent years as mounting living costs have been reflected in rising pension payments.⁶⁴ Retirement with fewer than 90 points, or with fewer than 30 points from jobs, involves smaller retirement payments.

Incentives are provided to keep employees at work for at least the 30 year minimum. Beginning in 1951, a system of *Beneficios Especiales de Retiro* (Special Retirement Bonuses) was established. Persons retiring with 90 points and 30 years' service receive 6 months' pay as a bonus, although they must continue to pay montepío throughout their retirement periods. If the 90 points include 36 years of work, the bonus becomes 12 month's pay, and montepío payments continue for only four years. If the retired person has 40 years of service, the bonus becomes 18 months' pay, no montepío payments are collected, and the retirement payments themselves are raised to the average of the last year's salary, rather than than over the last five years of work.⁶⁵

One of the more objectionable features of the country's lethargic bureaucratic system is the frequent delay in the award of pensions which have been earned by work and contributions. Personal interviews revealed instances of applicants who had waited three years for payments to begin after the establishment of eligibility. Always, a respondent was aware of a person who had waited longer than he. In February, 1960, the newspaper *El País*, which generally supported the government, remarked editorially that under the Blancos the interplay of influence, favoritism and manipulation, which had marked the granting of pensions under the Colorados—but which, it was implied had been handled more discreetly—now had come out into the open. A recent report indicated that the Fund for Rural and Domestic workers and for old-age pensioners had processed and approved applications from a backlog of 3,800 cases, some of whom had been waiting more than two years.⁶⁶ Another writer noted over 120,000 applications in process in September, 1959, among the three confederated Funds, and observed that in the Industry and Commerce Fund approximately 20% of all applicants died before receiving any payments.⁶⁷ Under these circumstances, appeal to political manipulation or dishonest applications is regarded as very nearly excusable.⁶⁸

Social welfare measures and beneficiaries: the family

Aids in obtaining housing have been indicated as significant "fringe benefits" for government employees. The government's commitment to the housing of other Uruguayans is not nearly so extensive, however. The principal government agency extending financing to private owners and builders is the *Banco Hipotecario del Uruguay* (Mortgage Bank of Uruguay), although several other government agencies are involved, as well as a large number of private banks and mutual societies which make mortgage loans. The clients of the Bank necessarily are found in the middle and upper income brackets of the population, because of the conditions which are placed on them.⁶⁹ Other government agencies cater to the lower income groups of the population.

In another direction, both public and private employees earning less than specified gross incomes are able to claim dependency allowances which are relatively small, but which are extended for a great variety of reasons. These allowances are paid by a large number of Funds which are affiliated with the *Consejo Central de Asignaciones Familiares* (Central Family Allowances Council), which was established in 1953.⁷⁰ Although the payments

are made to individual wage-earners, in every case they are justified as aids to the family.

Housing—Two studies prepared in 1956, on the basis of scientifically-drawn samples, show clearly that a substantial percentage of Uruguayan families, especially at the lower income levels, are housed in substandard conditions. The Uruguayan Institute of Public Opinion stated that 35% of an estimated 220,000 to 240,000 families in the country lived in conditions which were unsanitary, but that 68% of families classified arbitrarily as "poor" were housed in generally unhealthy or improper circumstances.⁷¹ A study by Catholic Action reported both its own investigations and those conducted for the Ministry of Public Health. It found that in some small interior towns, as many as 80% of the families lived in unhealthy circumstances, although along the south coast of the country, where comparatively successful family farms are the pattern, as few as three per cent lived in these circumstances. In Montevideo, the study reported four per cent housed in "subhuman" conditions, six per cent in "unhealthy" conditions, and 35% in "scarcely acceptable" circumstances.⁷²

The volume of outstanding loans by the Mortgage Bank is large; in 1958 it was reported as over one billion pesos.⁷³ The original intention under the Serrato Law was to assist individual home-owners who would deal directly with the Bank in most instances in obtaining their properties. In more recent years, much pressure has been brought for the enactment of laws which would permit the construction of individual homes and large apartment structures under speculative conditions, with the use of Bank loans. Such laws were passed, and the Bank's Administrative machinery succumbed to claims for generous administration of the laws. Real estate prices therefore have climbed rapidly over the last decade, and have led the price inflation in the country, especially in urban areas. The construction industry became one of the largest in the country, and by 1958 had outstripped badly the available capital funds. The most obvious effect has been the erection of huge multi-family, cooperatively-owned apartment structures, especially in Montevideo and in resort areas along the coast. Many such buildings were begun without proper financing, in the expectation that the individual apartments would be sold prior to completion. When price inflation caused costs to outstrip funds, unfinished structures were left littering the beach areas. Additionally, the problems created for public utilities and services by the completed structures has been great, involving water and sewerage services, garbage disposal, and power.⁷⁴

In 1960 the Bank was forced to face the logical results of these developments and of its lending policies. Long and easy terms had contributed materially to both broad-scale home ownership and to speculative building and financing techniques of questionable character. The Blanco-appointed Board of Directors therefore announced much more conservative policies, both in regard to individual home-owner loans, and to loans for commercial multi-family structure construction. It was hoped that inflation would be contained thereby.⁷⁵

A second government agency specifically concerned with housing is the *Instituto Nacional de Vivendas Económicas*, INVE (National Low-Cost Housing Institute), which was established in 1937 as an administrative dependency of the Ministry of Public Works.⁷⁶ Its principal responsibility

is the construction, on its own account or by private companies with its encouragement and partial financing, of low-cost housing to be rented or sold to government or private employees, pensioners, and other persons of modest income. The original law did not specify an upper limit on the income of qualifying persons, but an amendment was enacted in 1958 which placed it at 300 pesos monthly.⁷⁷ INVE was hampered during the early years of its existence by lack of funds. Not until 1948 did it have enough working capital to begin meeting its obligations seriously.⁷⁸ It was charged with emphasizing construction in the rural areas and in the interior of the country, but in fact it has placed most of its construction in urban or suburban areas. By 1956, INVE had constructed about 3,500 housing units, some of them as duplex one-story houses, and some in multi-story apartment buildings. Although high construction standards were maintained, costs were kept substantially lower throughout the decade than for similar construction by other government agencies.⁷⁹

INVE has not sold many of its structures, principally because experience has shown that lower-class families have been unable to adapt satisfactorily to housing of a level of accommodation substantially above their previous experience. They have allowed the buildings to deteriorate unless subjected to periodic inspections and supervision. Failure to keep up their payments because of underemployment has forced the government in some cases to repossess the properties in spite of expressed administrative desire not to do so. After several years of unfortunate experience because of failure to foresee these facts, INVE established new criteria for behavior by its tenants. Supervision is now carried on through the activities of graduates and advanced under-graduates of the School of Social Work of the University of Montevideo, in the expectation that approved families may safely be allowed ultimately to become the owners of INVE-constructed housing.⁸⁰

Under certain conditions, INVE has cooperated with Departmental governments to build low-cost housing in the suburbs of urban areas. Between 1948 and 1954, Montevideo and INVE jointly constructed 980 units,⁸¹ and Salto and INVE built a smaller number near the city of Salto during the early 1950s. All of these units have been rented, at prices linked to family income, but also so as to return 10.25% annually on the original investment when possible.⁸² Construction standards have been less satisfactory than in the case of structures built for INVE alone, and a number of scandals growing out of sub-standard construction was revealed in 1960.

Last, under severe emergency conditions, these same authorities have built temporary housing so as to get the extremely poor out of the "*cantegriles*" or tarpaper or sheet-metal shack slums. Montevideo and INVE jointly built 544 such units in the period 1948-1954. They have been of such poor quality, and have been treated so badly by the tenants who occupy them rent-free, that in 1960, specialists in housing stated that they were well below the level of decency.⁸³ This writer's personal observation brought his complete acceptance of the statement.

INVE is charged with cooperative action in an additional area. A law enacted in 1950 provided that the Industries and Commerce Retirement Fund, and the Fund for Public Employees' Retirement, would invest

30,000,000 and 12,000,000 pesos respectively from their reserve funds, in collaboration with INVE, in the construction of low-cost housing for the exclusive use of pensioners under these Funds.⁸⁴ As of 1960, however, no action had been taken on this legislation.⁸⁵

The fundamental problem in regard to housing at all price levels is that the movement cityward in Uruguay is continuing.⁸⁶ Pressure on available housing and on funds available for financing new housing loans is increasing. Price inflation therefore has resulted. This occurs at a time when other pressures are mounting against the productive sectors of the economy. Not the least of these in the period since 1955 is the increasing unemployment and underemployment. It cannot be concluded therefore that the future prospects for satisfying the country's housing needs are encouraging.⁸⁷

Rent Controls—A final effort on the part of the government to aid the middle and lower classes in regard to housing is the policy concerning rent controls. These controls were established initially in December, 1943, as a part of the controls system established during the second world war. They did not constitute a country-wide system, but were limits on landlords only in favor of current occupants. A *Jurado de Alquileros* (Rent Jury) was established in each of the judicial districts into which the country is divided. These five-member bodies were to be composed of the district Justice of the Peace as presiding officer, two citizens of the district appointed by the Departmental Junta (legislative body), and two appointed by the national Executive Power. Appointments to these positions could not be evaded under the law, and resignations were impossible. The decisions of the juries were to be final, and without appeal. During the period of effectiveness of the law there could be no evictions of tenants provided the decisions of the juries were met.⁸⁸

Rent contracts under this law are "frozen", or are subjected to periodic upward price revision, only between the two original parties. Even in these cases, landlords have found it possible to obtain some relief from rigid ceilings through amending legislation passed by the Assembly. In general, however, it has been very difficult to obtain this relief, and the issue remains the subject of bitter political contests.⁸⁹

Dependency Allowances—Dependency allowances are paid to both public and private employees on the basis of several conditions. Payments are made legally to the individual benefitted. Thus, the child, the old person or the expectant mother are the legal recipients, although the payment is made to the wage earner of the family for practical reasons. The present policy concerning these allowances was adopted in 1943.⁹⁰ This initial law provided that allowances would be paid to workers to supplement their wages for the support of either legitimate or natural but legally-recognized children. The payments are made by Funds managed by Boards composed of representatives of both workers and employers, and chaired by representatives of the Executive Power.

Individual companies and enterprises were able, under this initial law, to establish their own Funds, or they could join in Funds participated in by *gremios*, groups of enterprises engaged in similar types of activities. All such Funds would be subject to general rules established by the law. At the outset, therefore, the administration and organization of the Funds

was decentralized and somewhat permissive, although the minimum amounts paid, and the minimum purposes for which they were paid, had to conform to legislation enacted by the General Assembly or decreed by the government. Benefits paid by the Funds became the subjects of negotiation during the biennial bargaining sessions between workers and employers, and in a few instances employers paid for broader benefits than the law required.⁹¹

The growth of these Funds was irregular and management standards varied. In 1950 the *Consejo Central de la Caja de Compensación y de Asignaciones Familiares* (Central Council for the Fund for Reimbursement and Family Allowances) was established in order to achieve some uniformity.⁹² Individual company Funds were encouraged to join in the gremial Funds; were they to do so, the resulting new Fund would retain some autonomy. Should they not do so within six months, they would be required to affiliate with large, catch-all Funds established and supervised by the Allowances Council.⁹³ The benefits paid by these Funds still may exceed the minima established by law, if these are negotiated. ANCAP makes one-time payments on the birth of children and on the occasion of marriages by its employees, for example; the railroad (AFE) pays an annual 25-pesos bonus to primary school children and 50 pesos to secondary children for buying school books and supplies, and the municipality of Montevideo pays a death benefit to survivors to cover part of the funeral expenses.⁹⁴

Allowances are intended only to assist lower-income employees. The Allowances Council recommends the size payments as well as the ceiling for eligibility, and the General Assembly normally accepts these recommendations, for legal enactment, without question. In 1953, the cut-off point for allowances was a gross family income of 400 pesos monthly; children were then still receiving the six pesos monthly which had been legislated in 1943.⁹⁵ In 1955 the cut-off point was raised to 500 pesos monthly,⁹⁶ and in 1958 to 750 pesos for private employees. The latter legislation also permitted the ceiling to be raised 50 pesos for each family member after the third; at the same time, payments were increased to 15 pesos monthly for each of the first two children, 20 pesos for the next two, and 25 pesos for any additional.⁹⁷ Minimum benefits to government employees are identical to those paid private employees, but the cut-off point was not raised to 650 pesos monthly until 1959.⁹⁸

Under present law, children normally benefit from payments only until their 14th birthday. This is intended to facilitate the completion of primary school. Children may continue to receive allowances through their 16th year only if they are enrolled in secondary or professional preparatory schools, or if for substantial reasons primary schooling has not been completed by the age of 14 years. If the parent or guardian is deceased, incapacitated, or is undergoing a penal sentence, payments will continue until the 16th year. Children of the age of 18 may receive allowances only if they are incapacitated both mentally and physically.⁹⁹

Resources for these Funds come principally from taxes paid by employers on the salaries and wages received by their employees. The 1958 law which raised ceilings and payments for the recipients of allowances also provided that employers must pay a tax of 5% of their wage bills. These sums are paid directly to the Fund handling the accounts for the

employees of the enterprise.¹⁰⁰ These individual Funds are federated² in an association with the National Compensation Fund, which was established in 1950 to assist the individual Funds should they run deficits; this Compensation Fund is authorized to issue bonds in the open market, and thus to centralize the borrowing authority which is entrusted to the individual Funds.¹⁰¹ Such bonds have been issued on several occasions, in large part because of the persistent failure of employers—and even of the government itself in some cases—to make payments to the Funds as prescribed by law.¹⁰²

Social welfare measures and beneficiaries: Society

Many other benefits are provided by the government. Because of their diversity, they have been grouped together arbitrarily in this discussion as benefits to Society as a whole. Some, such as subsidization of food and household needs, are intended primarily to benefit individuals and families with low incomes, although all consumers actually benefit. Other benefits appear in the form of implicit subsidies to raw and semi-finished materials for businesses and industries which enjoy privileged status; while these businesses enjoy clear price and profit benefits, they also assure employment. Education is superior to that offered by most countries of the world, and while it affords the vast majority of Uruguayans the pleasures of literacy it also trains more professional men, per capita, and a great many more semi-prepared technicians than do most other Latin American education systems.

Economic Controls and Subsidies to the Consumer—By 1930, the great world depression had begun to affect Uruguay's foreign trade and national economy. The constitutional government headed by Gabriel Terra hesitated to impose full controls on foreign trade, but the necessity became evident as the world market for Uruguay's exports continued poor. Finally, 19 months after the Terra *coup d'état* in March, 1933, full foreign trade controls were imposed. The *Comisión Honoraria del Contralor de Exportaciones e Importaciones* (Honorary Committee for the Control of Exports and Imports) was organized to supervise the details and the Banco de la República, as the central bank, became the fiscal agent of the government for purchase of foreign currencies from exporters.¹⁰³ The proceeds from these operations were used to establish the Exchange Differences Fund, which ultimately became the source for subsidizing both preferred raw materials imports and efforts to maintain at a fixed level the price of food and household articles.

Subsidies for food and personal use articles began in the mid-1930s. The earliest such organization was the *Cooperativo Nacional de Productores de Leche* (Conaprole, the National Milk Producers' Cooperative). It was authorized to establish a cooperative society for the monopoly supply of milk and milk products in Montevideo, although it has never exercised this.¹⁰⁴ In 1946, Conaprole was given additional powers to establish and maintain price controls over all milk supply and marketing, with decisions in this regard resting on recommendations made by a five-member Honorary board of interest-group representatives. The Board establishes, on a semi-annual basis effective February 1st and August 1st, the prices which will

be paid to suppliers for raw milk deliveries as well as prices to consumers.¹⁰⁵ Although this law provides that Conaprole should show a reasonable profit it has seldom done so. The Exchange Differences Fund has been tapped regularly to make up its deficits.¹⁰⁶

In 1947, the *Consejo Nacional de Subsistencias y Contralor de Precios* (National Council for Subsidies and Price Control) was organized.¹⁰⁷ The Council is charged with maintaining prices of food and household needs at minimum figures. Although it is to operate throughout the country, the focus of its activities has been on Montevideo. It may establish shops and stands at which fruits, vegetables, meat, bread and milk, as well as other items are sold. In 1960 there were nearly 100 of these outlets in Montevideo alone. When price ceilings have been established the items are sold at these levels. When no ceilings have been established the Council attempts to set the pace by selling as cheaply as possible. In 1959 the Council's gross sales in Montevideo were over 40 million pesos, and the loss was substantial.¹⁰⁸ The Council also imports items which are in short supply if it appears this will help achieve its purposes; such operations are free of the complex foreign trade procedures which private businesses must observe.¹⁰⁹ The Council and the Departmental Councils operate open-air markets throughout the cities on several days each week, at which nearly everything imaginable can be bought at prices which are considered reasonable and/or legal, considering current costs. Last, but certainly not least, the Subsidies Council has expropriation powers which it may use in an emergency; in 1953, for example, the National Executive Council authorized the use of this power so that the *Frigorífico Nacional* (National Meat Packing Plant) could be supplied.¹¹⁰

On the whole, the Subsidies Council is a useful weapon for the government in the effort to restrict rises in the cost of living. Private shopkeepers are understandably resentful of this government competition, and many efforts have been made to reduce its effectiveness; few succeed, however.¹¹¹ Faced with the effects of disastrous drought and severe monetary inflation, in 1960 the Council resorted to a new device, Neighborhood Committees, to attempt to hold price lines. The Committees are composed of local resident volunteers for the most part; they inspect shops and prices, and remonstrate with violators and profiteers. Penalties may be imposed on law breakers, and some have been quite severe.¹¹² Because of events, however, the government has been forced to give way. Much of the time in the 1950s, living costs rose slowly but steadily; in the period after 1958, up to this writing, prices seemed to soar almost beyond imagining.¹¹³

On the whole, it cannot be said that food price support programs have been profitable for the government, although it is doubtful if this ever was the intention. The criteria actually have been improved nutritional levels and the belief that votes could be obtained for the Colorado party. The Blancos indicated no serious desire to retreat from price controls as such, but the state of the national economy and the Treasury since their inauguration have forced the relinquishment of subsidies on both meat and bread, and the reconsideration of other controls.¹¹⁴ The programs have contributed greatly to a distribution of the national wealth in favor of the lower classes; when coupled with family allowance payments, rent controls,

and supplements to salaries in the form of the numerous "fringe benefits" offered under the law, they have kept this distribution at perhaps the highest level in Latin America. The fundamental question revolves around the country's ability to continue carrying them, although the unhappy duty of the Blancos, to liquidate some of the programs, has harmed the party greatly.

Subsidies to Business—Not all benefits are concerned so directly with individual recipients. Some significant favors have been granted to politically-favored private enterprises as well as to government businesses. Until the enactment of the Monetary Reform Law of December, 1959, these subsidies were nearly crucial to the survival of the favored private businesses, and to the profit positions of the government companies.¹¹⁵ Policy details varied from time to time, but this treatment usually involved the sale of foreign currencies by the central bank more cheaply in terms of Uruguayan pesos to the favored companies than to less-favored ones. In times of shortages of foreign exchange, the preferred businesses had first call on publicly-available holdings by the Bank.¹¹⁶ Business favors were explained as necessary to maintain the highest possible employment levels in key enterprises, or to permit their goods or services to be offered to the public at lowest possible prices. It was notable that businesses which had unruly unions were quite likely to enjoy better treatment by the government than businesses which enjoyed more regular relations with their employees. Special treatment of the press was one interesting feature of the period. Its rationale was the expressed desire to maintain political and public opinion freedom at the highest possible level. The maintenance of more newspapers than circulation or public information needs warranted could also be explained as a concession to the political opposition, which always insisted on having its own newspaper outlets.

Beginning in 1940, newspapers were given special status for the importation of newsprint, ink and matrixes.¹¹⁷ Newspapers of the Interior received preferential treatment above that accorded the Montevideo press, although this was sporadic.¹¹⁸ In 1959 alone, this overall preferential treatment cost the government about 40 million pesos, yet even under these circumstances the newspaper community as a whole reported gross profits of less than four million pesos. The 1940 law permitted the newspapers to buy their foreign currencies at the rate of 1.519 pesos to the dollar; at that time the advantage was small, but by the date of the enactment of the Monetary Reform Law which wiped it out in 1959, the advantage had become substantial.¹¹⁹

Industrial raw materials and fuel normally comprise about half of all Uruguayan imports; construction materials, principally structural steel members, electrical equipment, and plumbing materials, comprise another 5% to 6%.¹²⁰ Many of these items enjoyed preferential exchange treatment during the period of multiple exchange rates prior to the 1959 Reform. The construction industry's principal union is well-organized under leadership regarded by many observers as communist. Architects and building contractors often are well-placed politically. The State Mortgage Bank and other financing and constructing agencies of the government are constantly confronted with the need for placing funds which are earmarked for home or commercial building, and the private banks also have an in-

terest in such construction. And of course the housing needs of the country are large, and continue to grow.¹²¹

The largest single importer in the country is ANCAP, the autonomous entity concerned with fuel (among other things). ANCAP really acts as an agent for other businesses and agencies, however. It supplies AFE, the railroad; UTE, the electrical and telephone utility; PLUNA, the government airline; and AMDET, the Montevideo city-owned street transportation agency. All of these agencies offer services at prices substantially below world prices, because of the subsidy they receive through ANCAP's operations. At the same time, ANCAP also gives more modest subsidies to taxi and trucking operators, and sells kerosene for household use by persons of modest means who cannot afford to use the high priced centrally-piped gas supplied by the privately owned gas works. ANCAP's position has led its Directors occasionally to act as if they felt themselves autonomous of government policy, and they have demonstrated some indifference to public demands.¹²²

The Reform Law of December, 1959, provides that all foreign exchange from imports shall be purchased from or sold to the central bank at open market prices; the price was then about 11 pesos to the dollar, and it remained so at the time of writing. Rigid controls on imports remain, but they are concealed behind a complex system of prior deposits, surcharges and prohibitions. They remain almost as subject to manipulation for political reasons as before the change, so that preferment can be indicated as clearly as ever. The device of removal of requirements can be as effective as granting preferential exchange rates.¹²³ As a result, political contests can be as warm as ever; paternalism may be administered in a highly discriminatory manner.

Education—It has been observed that José Pedro Varela's educational reforms of 1877 laid the bases for government commitment to free, compulsory, lay and universal public education. The principle is generally respected today, although it is far from universally practiced. Although 1956 data indicated that 27.2% of the population was younger than 15 (the approximate average age for primary school completion is 13 to 14,¹²⁴ 1958 data indicated that 251,690 children, or approximately 10.4% of the total population, were enrolled in government primary schools, while 58,536 additional attended private schools. About two-thirds of the public enrollments were in schools in the Interior Departments, while over 90% of the private students were in Montevideo. The desire and ability of Montevideo parents to patronize the private schools is evident. This is only partially related to quality of instruction; prestige and religion enter into the decision as well. In the ten-year period 1948-1958, the increase in public enrollments was approximately 50,000, or 23.5%; the increase in private enrollments was about 20,000, or 66.7%.¹²⁵

Although government schools do not charge enrollment fees, even through the completion of advanced University degrees, other normal expenses such as housing, books, clothing, etc., must be met in almost all cases by the parents. Some support is received by lower income families, or by members of family allowance Funds which have special policies, as has been shown, but family income remains an essential factor in the ability of the child to remain in school. Even in the government elementary

schools, the drop-out rate between first and sixth grade averages over 50% in the urban schools and 80% in the rural schools, and an estimated .2% of all school entrants are able to complete the Preparatory schools which lead to the University.¹²⁶ The burden of maintaining young adults or children of economically productive age in school normally is too heavy for lower-class families. University professional degrees are regarded as sure keys to social mobility. Even middle-class families find them such a drain on resources, however, that they are reluctant to permit children to begin the first step, entrance into the *Liceo* or beginning secondary school, unless they feel sure that they can support the whole program. There are very few University scholarships or fellowships, and it is not considered likely by most parents that their children will receive help.¹²⁷

Shortages of buildings assure generally overcrowded classrooms, both in Montevideo and in the Interior.¹²⁸ They also assure that commuting distances to school, especially in the Interior, make education for small-town or rural children difficult above the elementary level. Protests in March, 1960, over rising railroad rates in the Interior revealed that in some cases students were commuting as much as 100 kilometers each way daily to attend Liceo classes.¹²⁹

The educational system is divided into four separate and autonomous groupings, each under the control of Councils. All are organized and recognized legally as Autonomous Entities; each varies slightly from the others in organizational structure and procedures.¹³⁰ All are subject to the oversight of the Ministry of Public Instruction and Social Welfare in some limited respects, however. The Ministry retains the right to examine their budget proposals, on behalf of the National Executive Council, and to warn against improper action. One of the six administrative divisions of the Ministry performs this function.¹³¹

The *Consejo Nacional de Enseñanza Primaria y Normal* (National Council for Primary and Normal Teaching) controls the first six grades as well as three years of kindergarten, (*Jardín de Niños*) and training institutions for primary teachers. It was organized in its present form on July 26, 1918, although prior to that time primary education had been administered by a succession of variously-named agencies extending back into the pre-independence period. José Pedro Varela's reform of 1877 had established the *Dirección General de Instrucción Pública* (General Bureau for Public Instruction); this agency remained in force until the 1916 reform.¹³² Under the Council's nation-wide supervision, both experimentation and testing of methodological theories has occurred, and there has been a development of curricular material for rural schools which is more appropriate to these areas than for city schools.¹³³ The Council establishes criteria for teacher (*maestro*) training; the Normal school curriculum involves a seven or eight year program after the completion of primary school, and offers the graduate a credential as a teacher of the first grade. This accreditation can also be obtained by completion of the four years of Liceo training, plus four additional years in the Normal school. In either case, the last year of training largely is devoted to practice teaching. Candidates in Interior towns and cities who are unable to attend the Normal school regularly may qualify by the completion of periodic examinations in the capital.¹³⁴ Second grade accreditation is obtained after the sat-

isfactory completion of some 30 examinations, which cover all material taught in both primary and secondary schools; this normally requires seven to eight years of intensive additional part-time work, and permits the candidate to be appointed as *Director* (Principal) when vacancies occur.¹³⁵

The *Consejo Nacional de Enseñanza Secundaria* (National Council for Secondary Teaching) controls the four years of Liceo as well as the two years of *Preparatorio* (pre-University preparatory training). In general, the student who undertakes this work intends to enter the University for a professional degree. The Council's antecedents date from the period of colonial government. Prior to 1877, secondary training had been under the direct control of the University and complete autonomy of the University was granted only in 1935 when the Council assumed its present form. The curricular organization dates from 1910, however. Completion of the full six years confers the first academic title, the *Bachillerato* or diploma.¹³⁶ There was no professional pedagogical training available for faculty members of the secondary schools until the establishment of the *Instituto de Profesores "Artigas"*, in 1949. Up to this time the only provision, established by a law of 1947, was that appointment would be competitive and that proof of qualification would rest on examination and recognized standing within the applicant's specialization. Teachers were part-time, and were paid on the basis of number of hours taught.¹³⁷ The training provided by the new Institute is expected ultimately to produce a full-time faculty with a higher degree of professional dedication; the applicant will still face competitive examination and three years of *Internado* (Probationary status) after completion of its four year curriculum, but the graduate will receive both content and methods courses of a higher level than has been possible up to now.

The *Consejo Nacional de la Universidad del Trabajo* (National Council of the Labor University) was organized in 1942, although actually the institution is a federation of many vocational training schools, some of which date from 1856. The original intention was to establish a school of correction for "vagabond boys of incorrigible character", and the first 178 students were described by the *Diario Oficial* (Official Gazette) as "26 students sent by the police, 121 sent by the parents as incorrigibles, and 31 . . . lacking means of subsistence." Under Lorenzo Latorre, similar institutions were founded in all Departments, but it was only in the 1890s that the orientation of these establishments changed to that of preparing students for craft and industrial specializations. Administrative reorganization in 1916 directed the work of the institution entirely toward this goal, and provided that all boys between the ages of 14 and 17 not physically incapacitated or in regular attendance at a secondary school of the University would be required to attend some one of the vocational branches for nine hours weekly. Today the majority of students in the Labor University enter directly from completion of the public elementary schools, although some enter even earlier. At the time of the reorganization in 1942 the University maintained 42 branches throughout the country, each offering at least one type of skilled or vocational training, either to boys or girls. Faculty members normally are employed on the basis of competence in their special fields, as demonstrated in competitive examinations and presentations.¹³⁸

The University of Montevideo is the only recognized institution of higher learning in the country. It offers up to six years of professional training, depending on the program selected. The *Consejo Central Universitario* (Central University Council) has much legal autonomy as director of the institution, and national prestige and consideration have given it a degree of detachment which renders it and the University very nearly sacrosanct. The University was first established in 1833, when nine chairs (*Catedras*) were founded in philosophy, mathematics, political economy, religion and medicine. President Oribe formalized the institution somewhat by decree in 1838, when it became known as the *Universidad Mayor de la República* (Greater University of the Republic),¹³⁹ but civil war prevented its inauguration until July 18, 1849. Its first regulations, issued the following October 2nd, established its responsibility for education at all levels, from primary school upward; the four Facultades (Colleges) were to be Natural Sciences, Medicine, Jurisprudence and Theology. Jurisprudence was the first to be activated, and Medicine was added in 1876. The other two Colleges never materialized, and in 1877 the University was able to divest itself of responsibility for primary education as well.¹⁴⁰

The University's exclusively legal and philosophical orientation affected its tone during this period, and the founding of the Medical College only tended to reinforce a mood of positivism which permeated the entire institution for many years. It was not until 1885, when a new "Organic" law, containing a broadening of teaching goals, was adopted, that intellectual, speculative, and physical progress began to occur.¹⁴¹ In 1908 a new phase began, with autonomy granted to the individual Colleges both for curriculum and administration, but with the provision that the *Rector* (President) of the University would be appointed by the national Executive Power with the approval of the national Senate.¹⁴² With this change, amplification of the University's offerings began, until the present ten Colleges had been organized and activated. Curricula in these Colleges generally are rigid and for the student attempting to complete his work in the minimum period there are no opportunities for elective courses.¹⁴³

The 1908 reform also admitted alumni, acting as elected representatives of the students, for the first time to seats in the Central Council. By informal agreements, the students themselves were admitted to the meetings of the *Claustros* of the individual Colleges (Advisory councils composed previously only of faculty members and holders of professional degrees) beginning in 1919.¹⁴⁴ As early as 1849, students had been allowed to participate in the election of the Rector, Vice-Rector, and ten members of the Central Council, and between 1849 and 1877 students also had elected representatives in the *Sala de Doctores* (advisory body composed of professional degree holders of the University), since they were holders of the *Bachillerato*.¹⁴⁵ In 1921, a student was admitted as full member, as a student representative, in the Council of the School (later, College) of Dentistry.¹⁴⁶ The 1952 constitution provided that "The Directive Council of the University. . . will be chosen by the organs which compose it . . ." (article 205). The present "Organic" law of the University was enacted in 1958, and under its terms students have been admitted to full membership in the Central Council, as well as to the General Assembly of the *Claustros* of the individual Colleges.¹⁴⁷

Students of the University today have come to feel strongly that they have a right to participate in determining University policy; as a result, street demonstrations concerning purely University matters have become rather common.¹⁴⁸ In addition, student action on other matters, not of University concern, also has become common. Since it is clear that much of this action is motivated by leftist leadership, both among student organizations and outside them as well, there is increasingly wide public criticism. Dr. Mario Cassinoni, the Rector of the University since 1956 and a member of the Socialist party, has been blamed for much of this activity. Both because of his personality and because of increased independent student activity since the enactment of the new "Organic" law, the University had been projected more frequently into the arena of national politics. The general public has begun to lose patience with the political activists of both secondary and University age; they are regarded, almost universally, as a privileged and frequently not very earnest group. There has been little evident wish to curtail the fundamental freedoms of the University; there is much doubt expressed if academic freedom should be regarded as a license to dabble in national questions.¹⁴⁹

A major problem which has developed from being moderately bothersome to extremely serious is that of salaries paid to teachers at all levels. These never have been generous, and inflation in the 1950s curtailed real wages sharply. In 1960, fully accredited beginning Primary teachers received 350 pesos for their first five years of service. This figure had not changed in seven years. The first raise came in the fifth year, of 50 pesos monthly; it was repeated in the 9th, 13th, 18th and 23 years.¹⁵⁰ Bitterness among teachers mounted as wages for common labor surpassed these figures. Treasury Minister Azzini observed that "the Public Schools operate very well, thanks to the efforts of the self-sacrificing teachers", but teacher spokesmen were a great deal more blunt in their written remarks.¹⁵¹ Developments occurred in 1960 in several directions. A well-organized voluntary citizens' group took up the teachers' burden in parliamentary lobbying. Other volunteer groups offered economic support to Interior schools when possible. The Teachers' Union made a series of forceful claims, since the Primary and Normal Council itself was extremely dilatory in protecting the interests both of the teachers and the school system. Emigration of qualified Primary teachers to other Latin American countries became serious.¹⁵² The final decision of the Assembly regarding appropriations was substantially above that requested by either the Primary or Secondary Councils, but fell short of teacher requests.¹⁵³ It appeared that the crisis in education would continue, although all government spokesmen continued to claim their sensitivity to the situation.

The mood and philosophy of education in Uruguay is reported adequately, if somewhat optimistically, in Russell H. Fitzgibbon's study. The intention appears in part to be that of preparing young people for adjustment and, perhaps, acquiescence, in a society in which the primacy of a highly sophisticated type of politics is generally recognized. At the same time, however, it is suggested that there is also the intention to prepare well-trained specialists for positions in which humanistic values are accepted as superior to technical competence, apparently regardless of the intrinsic nature of the task or profession itself.¹⁵⁴ The subordination of one goal to

the other is not immediately apparent, since the focus at the primary level is on the basic skills and understandings which are common to all well-based educational systems. Early secondary education, in the Liceo, continues with more advanced work of this type, but there is a heavier emphasis on the humanities than would be characteristic of many societies which are more technically advanced or economically diversified. The University's work is entirely professional and thus comparatively narrow in its conception and execution, but the die appears to have been cast by the time the University is reached. The general lack of respect for the technician, *qua* technician, fits into the society's pattern of thought.

In spite of the developing crisis which confronts the country, there is rather little preparation of students by the University or the secondary schools to become fully-developed and aware participants in the social process. With notable exceptions, effective course offerings in the Social Sciences are not available, at an essentially professional level, to doctors, lawyers, engineers, or economists who one day will be required to make decisions affecting the entire country. The secondary schools and the University continue to rely on part-time faculty who may teach well within their specialties, but who are prevented by their financial circumstances from becoming professionally or emotionally involved in education.¹⁵⁵

There seems to the foreign observer, whether superficial or more intensive, to be remarkably little serious academic intent among many advanced students. Montevideo's student spokesmen tend to become involved more easily in querulous quasi-adventures than do their colleagues in more sober southern Brazil and Argentina. Even among those whose purposes are more clearly realized and defined there is a tendency to acquiesce in the machinations of the political demagogues and undoubted fellow-travellers who control portions of the Federation of University Students, and who give it a distinctly frivolous, if not pro-Soviet and pro-Castro appearance.¹⁵⁶

It must be remembered that secondary and University students of Uruguay are typical of many throughout Latin America, so that in part, their behavior is typical of the area. They are deeply and sincerely concerned for achieving an understanding of the past, and of the present defects of their social and political systems. The resulting intellectual and emotional unrest lends itself to inquiry and to challenge to all traditional views and to vested interests; because Uruguay has more than its share of these, the country's students find many targets, although they do not always direct their fire against them. An additional factor bases student demonstrations. Throughout the present century, Uruguay has cherished a view of itself as the collective conscience of the hemisphere. Uruguayan students tend to react to the ills of at least the entire Latin American area if not of the world. This readiness to demonstrate sympathy for any group that calls itself "revolutionary" leads many student activists to support both questionable and good causes.

It may be that all of this occurs because Uruguayan students confront a future in which there is so much assurance of sobriety that many feel they must seize these moments of irresponsibility, which are so often tolerated by the public and the authorities, before life at last becomes adult, and also superficially without challenge.¹⁵⁷ It is a fact that even the most impressive school grades open few doors when the majority of the

opportunities, which even in the best of circumstances would be limited by the small size of the country, have been in the hands of persons who completed their University training as long as 50 years ago. The young professional tends to feel today as if he has invested much time and effort so as to assure himself a life of prestigious poverty. Short of emigration, the brightest prospects appear to lie in radical or demagogic political activity.

The more sophisticated Uruguayan comforts the visitor with the observation that the young Turks eventually become the most reactionary of all. This patient long-range view eased alarm in a past age, but the tempo of the 1960s appears to preclude assurance that time heals. The restlessness of the outside world today communicates itself to the lower classes of an Uruguay which has tried by social and political isolationism to remove itself from that world. Tired of the assurances of broad-scale welfare programs which not only occurred early in the history of the country's social growth, but may also have come earlier than necessary in the country's development process, these lower classes find in their present circumstances and future possibilities little from which to derive real comfort. Social benefits have been very effective in the past in alleviating some unrest and class awareness, and in assuring the continuing political predominance of the Colorado party. The Monetary Reform Law of 1959 was the point at which the break with the past occurred, however, and the 1960s mark the entry into the real world in which illusions no longer serve. The broad social benefits are beginning to melt away for lack of funds. Whether the students of Montevideo realize this fully, and thus conscientiously seek to personify the need for new insights and policies, seems open to question.

THE ECONOMY AND INTERNATIONAL TRADE

The Economy: the identification of problems

The Uruguayan economy must carry a heavy burden of social welfare programs, public enterprises, and partially parasitical public employees. Only under circumstances of high relative productivity could this be managed successfully, and the relationship between the productive sectors of the economy and the service sectors is somewhat discouraging to one who might hope for rapid future amelioration of the problems which have been sketched.

In a survey conducted by the Uruguayan Institute of Public Opinion in 1959, immediately after the ebbing of the most disastrous floods in the country's recorded history, it was found that there was general public recognition of the need for some austerity in living levels and attitudes in order to improve the health of the national economy. 59% of respondents supported this conclusion while only 25% contested it.¹⁵⁸ 63% felt that Uruguayans in general do not work enough, while 30% were satisfied with the degree of industry exhibited by their compatriots; yet only 25% felt that they personally could work harder.¹⁵⁹ Cynics have suggested that if the government had only asked genuine sacrifices of the people at this time, there would have been fair assurance of support. Instead, the government made many attempts to give the impression in Montevideo that nothing was amiss; food was imported in an effort to maintain supplies

and prices, although there was plenty of profiteering, and all amusement and recreation centers continued to function at or even above the normal level.¹⁶⁰ Within a short time the sense of crisis was gone, and when the request for austerity finally was made it met with little public sympathy, although literally thousands were without homes or the requisites for decency. While the response of the respondents to the Institute's inquiry was undoubtedly reflective of a momentary state of mind, the almost immediate wish on the part of both government and population to return to conditions suggesting national affluence seemed somehow indicative.

The facts seem to betray some retreat from reality. The public expectation expressed regarding the Blanco government elected in late 1958 was that its policies would somehow correct this condition by renewing the national sense of purpose and giving direction to national policy.¹⁶¹ Yet the process of identifying and defining problems in such a way as to alert the public at best has demonstrated irresolution among the new leaders. Any government may be excused some errors in the beginning, especially when it is little more than a coalition of unlike forces, wearing, somewhat artificially, a common name, and also when it is no sooner seated in power than unwonted natural catastrophe falls upon it. But the course of events has indicated that the political and economic system over which the Blancos unexpectedly obtained control may be encumbered by the massed weight of too many vested interests and too much individual indifference. A further problem, which may well be remedied in part, is the frustrating inelasticity of the economy.

Agriculture and stockraising always have been the principal reasons for the existence of Uruguay. The country is almost totally bereft of mineral riches which, like a *deus ex machina*, could theoretically solve all national problems if tapped properly.¹⁶² It would seem to follow that the solution of problems in this area should have first call on the thinking not only of government leaders but of the people as well. Inability on the part of the farmers to meet the food needs of the country would be disturbing; yet this inability, only partly explained by the continuously bad weather of recent years, is quite real.¹⁶³ Correction of the condition conflicts potentially with the demands of labor, pensioners, business and industry, and many others. The solution which must rest on change both of the laws and the country's general state of mind about agriculture, must be both psychological and economic if the country is to remain viable. Russell H. Fitzgibbon, after examining the role of agriculture and stock-raising in the economy, observed that "Uruguay has two despots . . . [or] perhaps, . . . benevolent despots"¹⁶⁴ Benevolent or not, despots must be accommodated. There may be much truth in the common Uruguayan contention that action more favorable to the great ranchers would appear to be "class legislation"; it must be considered seriously, however, so that such economic surgery as may occur later will find the patient strong enough to survive.

There is no lack of optimistic plans for national economic development. In 1960, at the time of President Dwight Eisenhower's exceedingly brief visit to Montevideo, his accompanying advisory committee of specialists was presented with proposals totalling \$137 million in cost.¹⁶⁵ This was only the most recent of recurring plans for economic improvement. On

the advice of the advisory committee, some of the proposals subsequently were presented to the International Bank for Reconstruction and Development (IBRD) and to the International Monetary Fund (IMF). Several questions arose immediately. The question of the appropriateness of the types of requests made was examined, in view of the apparent current needs of the country. The plans themselves were drawn in much breadth and without implementation in some cases, and there was concern for the prospects for follow-through on them. And because there have been almost interminable delays encountered in the General Assembly in obtaining parliamentary support for international loan and technical aid agreements which have been negotiated in the past, the question was raised of the delays which might be expected in these new cases.¹⁶⁶ Negotiations with the international agencies and with the United States were protracted. Some agreements ultimately were reached, of course, but the suspicion remains that the somewhat dogmatic determination on the part of political leaders and interests to retain the system of social obligations built up over the last sixty years may jeopardize many possible short-run goals.¹⁶⁷ Obviously the country needs outside economic assistance; but equally obviously, the country must set aside the many existing self-created obstacles.

Structure of the economy: public enterprise and private ownership

The area of activity open to private enterprise is curtailed sharply in Uruguay by the expansion of state economic enterprises. Although the entrance of government into participation in business activities occurred in 1896 on an important scale, with its decision to become a partner in the ownership and operation of the Banco de la República, which assumed the role of a central bank, it was under José Batlle that the great impulse toward State participation became most apparent. Batlle's first presidential term was taken up in large part with the great civil war of 1904 and with its after effects. It was no secret that he was quite sympathetic to the lower classes and to labor, however, as well as to Uruguayan control of business opportunities as against their development by foreign investors. His role as both political leader and active journalist had served to place him on record on many occasions.¹⁶⁸

The form which Batlle's policies would take was not realized fully at the time of his second inauguration to the presidency. It developed that he was more concerned with banking and domestic credit controls, and with ownership or control of public utilities, than with broad public ownership of all types of productive enterprises as such. He and his supporters agreed that the State perhaps could never be as efficient as a manager as could private enterprise. They were inclined to feel, however, that the adoption of a control system similar to that of a private corporation would encourage efficiency, since the direct managers of the enterprise would be free of governmental and political control.¹⁶⁹ Batlle also was firmly nationalistic on economic matters, and his policies tended to discourage foreign investments even though they did not prohibit them.

The public enterprises—Batlle's 1911-1915 term of office served to establish the three great State Banks and the electrical utility. The Port of Montevideo was reconstructed and the basis laid for the establishment of the Port Authority.¹⁷⁰ In 1914 and 1915, respectively, the government

purchased from their British builders a short section of the Trinidad-Durazno rail line and a short street railway line in Montevideo which had been used only for limited hauling of meat.¹⁷¹ Aside from state ownership, the announced intent was to assist labor to obtain an eight-hour working day, a 48 hour week, and minimum wage standards; these were often difficult to achieve because of opposition both from employers and even from workers who feared, as some did, that the shorter work day would result only in lower income. Enactment in many instances did not occur until after the majority of employers had already adopted the standard in collective contracts with their workers or for humanitarian reasons. The pace in many cases was set by foreign employers in the period after 1911.¹⁷²

After the end of his second presidential term, Batlle's interest was directed principally toward constitutional reforms, although he continued to retain an interest in the change of social and economic policy.¹⁷³ This is evident in the second part of the party program which was adopted in 1921; no reference is made to extension of State ownership, although the Frigorífico Nacional (*Frigonal*—National Meat Packing Plant) was established in 1928 in order to defend the country's interests, maintain sanitary standards, and establish a pricing and labor policy yardstick. Subsequent nationalizations, and entries of government into other areas of the economy, therefore have come through the pursuit of policies which parallel Batlle's only in a general sense. At no point has it been possible to argue, either during Batlle's lifetime or since, that the Batllista Colorado position is dogmatically Marxist. The criteria for state expansion and management have remained the offering of essential services on the broadest possible scale and for the lowest possible price, and the prevention of the achievement by foreign or native private investors of sufficient power within the economy to control it in a manner adverse to the general interest.

The worsening of economic conditions after Batlle's death as the result of the great depression, and the closely related heightening of political tensions, had serious effects on the government enterprises. Prior to the coup of 1933, each of the Autonomous Entities had enjoyed much management autonomy of the central government; the Decentralized Services had enjoyed somewhat less autonomy, but in all cases there was some organizational diversity. In some instances, performance was as stoutly independent and oriented toward management efficiency as might have been expected from a private business.¹⁷⁴ The Pacto del Chinchulín was expected to mean the end of their unique status. It was intended specifically to extend the power of President Terra, by agreement with the Blanco leader, Herrera, by providing that members of the Boards of Directors of the enterprises would be appointed in proportion to the partisan composition of the National Council of Government, and that accounting and organizational procedures would be made as uniform as possible. In addition, it was implicit that the party leaders would be able to demand new jobs for their partisan followers; it thus presaged a spoils raid of great size. At the same time, the Pact provided for the creation of ANCAP, which had been a Batllista goal for some time, and extended UTE's authorized functions to include a monopoly over telephone communications throughout the country.

Terra's viewpoint, as expressed in his writings, was that these changes in fundamental policy were demanded by the developmental needs of the country; they would permit the Executive Power to plan more broadly the future economic policies of the country, especially in view of the incipient world economic crisis. The implications of Terra's position lent weight to the claim of his enemies that he was a partisan of the corporate state concept of Benito Mussolini.¹⁷⁵ Later, however, as both Terra and Herrera lost control of their respective parties, the system tended to work against them. It is felt by many observers, and admitted implicitly by Terra himself, that the coup was staged as much as anything because of this development.¹⁷⁶ The result, from the viewpoint of the enterprises, was that it left them completely at the mercy of Herrera and Terra who, despite their claim that they were working sincerely for the improvement of the economy, were regarded by the majority of the population as spoils and power-hungry politicians. The point appeared to be confirmed by the decision to deny to the enterprises the right to share some of their profits among their employees, as had been the case in the past, and to give the State the first call on all future profits.¹⁷⁸

In the 16 years following the Pacto del Chinchulín only one new commercial enterprise was established, and the authority of a small agency was broadened. Conaprole was established in 1935 to encourage greater use of milk in Montevideo and to assure satisfaction of increasing demand, and SOYP, a small government fishing enterprise, was granted potential monopoly and further powers with which to exercise it.¹⁷⁹ After the second world war, however, in a five year period the government entered fully into a policy of nationalization of privately-owned public utilities. In 1947 one of the two major municipal transportation systems of Montevideo was nationalized by the government's purchase of outstanding shares of stock.¹⁸⁰ In 1949 all British-owned railways throughout the country were nationalized, although it was not until 1952 that a firm administrative structure and government capital participation was established. In 1951 a small domestic airline of mixed ownership was nationalized, although the bulk of the private interest was Uruguayan in contrast to the other two instances. In 1952, the British-owned water system also was purchased. The ground for the action in each case was the claim that improved service was necessary, regardless of the possible losses to the State which might occur. As a result, none of these four operations has earned profits consistently, nor has there been much concern shown for management or personnel efficiency.¹⁸¹

Since 1952 there has been no new nationalization or extension of State enterprises. Although there has been much private and official dissatisfaction with these operations, they are not likely soon to be affected by any serious governmental efforts to dispose of them. National pride alone would appear to dictate their retention, even though few of the government businesses can be regarded as solvent by private enterprise criteria. The behavior of the enterprises regarding fiscal and personnel matters is increasingly typical of policies within the general administration.¹⁸² Despite efforts to develop uniformity and to allow the government to control them, many persons contend that the Autonomous Entities have enough autonomy of the National Council to negate efforts which it might make to direct

central economic planning for the country; a National Councillor's remark that the Autonomous Entities are "*republiquetas*" (little republics) appears to describe adequately the ambiguous situation.¹⁸³

The government enterprises do, in fact vary among themselves. In some, operations are conservative almost to the point of stoginess; the central bank has been criticized almost unmercifully on this score by the demagogic Benito Nardone, even though its policies generally are regarded by private bankers as quite liberal and its internal administrative and personnel procedures as enlightened as any in the country.¹⁸⁴ UTE, the electrical and telephone utility, maintains a generally high level of technical efficiency, although there is criticism of its willingness to tolerate incompetents on its payroll. ANCAP always has claimed high technical and management standards, and has attempted to give the public the impression of service roughly equal to its pretensions. Its products generally have been satisfactory in both quality and quantity, but on some other grounds it leaves a good deal to be desired.¹⁸⁵ The railroads (AFE) give service which is inferior to that offered under private ownership. In the mid-1950s the enterprise passed through a period of serious management deterioration and spoils raids and is now attempting to overcome the problems which still plague it after a period of severe reorganization. Some detailing of cases is indicative.

Rail construction in Uruguay began in 1869; the last new lines under the private owners were laid in 1948, although large-scale work had terminated in 1936. Of 84 towns of more than 1,000 population, 64 were served. Rates always had been high; the location of urban clusters and the pattern of land use prevented the generation of enough traffic for the service genuinely to be economical. Traffic toward Montevideo always outweighed the traffic from the city into the Interior; the poverty or disinterest of the thinly-scattered rural population assured that the volume of freight in raw agricultural produce was much greater than that of manufactures. The government's construction of parallel highways was intended to force rates down, but instead it sapped away much of the available traffic. In 1948, negotiations for purchase began; the sale price agreed on in 1949 was £7,150,000.¹⁸⁶

The first two Boards of Directors appointed by Colorado governments allowed all decisions to be controlled by political considerations. A special investigation by the National Council in 1957 uncovered gross mismanagement, favoritism and waste, but no serious dishonesty. A new Board was appointed in May of that year.¹⁸⁷ Administrative tightening occurred within a few months, and bases were laid for improved performance. In late 1958 a French management consulting firm examined the system and reported with an unmistakable air of urgency that severe pruning of poorly-patronized services, and the repair of badly-maintained main lines in order to avoid major accidents, were needed. It also urged broad scale modernization of rolling stock, substantial rate raises in order to avoid recurring deficits, and a 25% curtailment of staff.¹⁸⁸ The easier recommendations are being applied, and one unpopular one, regarding rates, is also being observed; the prospect for staff or service curtailment is nil, however, since these actions would be politically inexpedient. The prospect for generally improved services and a balanced budget within the next few years is good.¹⁸⁹

UTE enjoys a monopoly over the provision of telephone and electric power services to the country. Although its potential monopoly of electric power dates from its establishment in 1912, and of telephone service from 1931, neither became fully effective until after the second world war.¹⁹⁰ The first major hydroelectric power station was opened in 1945, and the second in 1960, both on the Río Negro which drains westward across the middle of the country. These installations are linked to the central transmission system which supplies only the southwestern part of the country. Other localities are supplied by individual diesel plants. Total power sold in the country has mounted steadily from 232 million kwh in 1940 to 1,017 million kwh in 1958. The opening of the new station in 1960, together with steam, diesel and hydroelectric facilities already installed, raised the installed capacity of the country to 354,000 kw, an estimated 20% in excess of peak load for the winter of 1960.¹⁹¹

Early surveys of the country's hydroelectric potential indicated other possible locations, and bids were opened for new projects in 1960.¹⁹² This aggressive development program is expected to meet any possible industrial or residential need for at least the next decade.¹⁹³ At the same time, the telephone division of the enterprise has been able to offer satisfactory service to a larger percentage of the population than in any Latin American country save Argentina; in this area as well, its expansion of facilities has been rapid, although it has never been able to catch up with needs.¹⁹⁴

In both of these specific instances, the politically-inspired demand that services be rendered at nonremunerative rates has made it impossible to earn "profits". As a result they require the constant backing and subsidization of the State. If the system is open to criticism it is at the level of policy making, not at the level of technical execution; policy is imposed from outside on the respective managements. On the whole, the Uruguayan commitment to public ownership and the obligation of the State for the social well-being of a large percentage of the population, should not occasion surprise. These grow out of demand for the accelerated distribution of the wealth of the nation, through the intervention of the State. This is characteristic of the great majority of the would-be members of the "middle sectors" of the underdeveloped or semi-developed countries of the world, in both Latin America and other continents. It is related directly to their quest for upward economic mobility, and to a certain inelasticity in the economy, and is facilitated by the achievement of the suffrage, as well as by the development of an articulate urban population in which there are enough literate, and even professional, spokesmen to provide the necessary leadership.¹⁹⁵

Private enterprise—This does not indicate a complete absence of private enterprise in Uruguay. The rate of increase in the industrial sector of the economy, expressed in terms of numbers of persons employed, appears to have been between 7% and 8% annually since the middle 1930s.¹⁹⁶ The AFE study in 1958 reported that foodstuffs and textiles provide over half the value of the country's industrial production, and that except for the primary processing of agricultural products and raw materials, the country's industry is too protected to be competitive in world markets. "A drastic reduction of [preferential exchange rates] would bring about an unacceptable fall in the Uruguayan standard of living, bringing about a

dubious result owing to the relative lack of elasticity in the supply of agricultural and foodstuff produce." If more favorable circumstances for agriculture and stockraising production could be achieved, continuity in the growth rate could be expected until a levelling-out point would be reached about 1970, the survey stated.¹⁹⁷

75% of the industrial production of the country occurs in Montevideo; in 1958 only 52.5% of the country's industrial establishments were located there, but this included virtually all of the large ones. The Departments of Canelones, which surrounds Montevideo on all sides, and Colonia, some 100 miles to the west, are second and third in both numbers of industrial employees and total production, although their contributions to the national totals are 5% and 4% respectively. Paysandú, with 3% of the total, is the only Department of the Interior with any significant production of goods.¹⁹⁸ These four Departments therefore become the principal users of imported goods and attract the natives of the Interior Departments who migrate in a constant stream into the coastal or urban areas. Virtually all organizations which have studied the country's economy urge that industrial dispersion is desirable for future health, but it is clear that transportation and marketing problems make this difficult.¹⁹⁹

Much of the industrial growth of the past 25 years has been in a few types of activity. Food processing has increased, particularly for local use, until it accounts for 31% of the total. Housing and mortgage policies have raised the construction industry, plus production of construction materials, about 11% of the total. Petroleum refining, the production of tires, the assembly of trucks and buses, and the production of spare parts, all of which depend on imported raw or semi-manufactured components, account for another 11% of production (and 35.2% of imports in 1958).²⁰⁰ The country's high production costs limit its industry almost entirely to the satisfaction of the small domestic market. Its heavy dependence on imported raw materials also limits sharply its growth possibilities.

Although property in Uruguay enjoys as much security against arbitrary government action or seizure as in the United States, much of the legislation governing the organization of business enterprises assumes implicitly that they will be family businesses or owned among the direct participants. Corporation laws are regarded generally as discouraging to large scale private capital formations, in part because they are retarded in concept. The basic legislation dates from the Commercial Code of July 1, 1866, although major amendments regarding the formation and dissolution of partnerships were enacted in 1893. Additional legislation on dissolution of partnerships dates from 1909.²⁰¹ In addition, the lack of system—other than its almost incredibly detailed nature—of the tax structure has contributed to complaint and reluctance on the part of potential foreign investors to enter the country. Tax reforms in the 1960 budget were intended to be the first installment toward rationalization, but much progress remains to be achieved.

A committee was established by the Executive Council in August, 1955, to write an adequate new law on businesses and corporations. Its reference points were a draft of the law and a statement of purposes written by Dr. Sagunto Pérez Fontana, a member of the University's Law School faculty.²⁰² The committee had been unable to complete its assignment

some five years later, and in March, 1960, a new committee was organized in an effort to renew interest in the matter.²⁰³ To this writing the reforms have not been developed, although it is agreed widely that they are needed.

The viability of the country has been questioned seriously in recent years, in view of its small size and population. From time to time, the optimistic announcement that establishment of heavy or medium industry will occur, or that some portion of the small heavy industrial plants already in the country will expand, causes a flash of optimism. In most instances, these have turned to disappointment.²⁰⁴ One line of reasoning from this point suggests that union with Argentina is really the only solution; there is some support for the proposition among followers of Benito Nardone, who profess great admiration for the political ideas of José Artigas, the country's national hero. It will be remembered that Artigas' attitude toward Argentina was ambiguous for a time, and that his *Instrucciones del año XIII* referred specifically to plans for political confederation.²⁰⁵ Placing the two countries within the same market territory would offer a more acceptable solution to nationalists, who are still very much concerned for the future prosperity of the country; because of this, Uruguay has been in the forefront in the movement which led, in 1959, to the development of a Latin American Common Market. Montevideo has become the official home of the organization.²⁰⁶

It is probable that enough changes in the legal climate regarding private business could occur to permit its growth as suggested by the SOFRE-RAIL report, provided the government is courageous enough to reject the extreme positions taken by the left. Business still must consider its incentives in the light of the present serious inflation, the great strength and determination of organized labor coupled with the increasingly strong influence of castroism, and the heavy degree of commitment of the country to social welfare and security. Widening of the non-governmental sector of the economy could contribute to greater economic strength. There is no lack of support for such increase among the country's businesses; the proponents of the view that there should be no increase in the State's control and activity are quite articulate.²⁰⁷ Whatever may be thought on this point, however, the country's ability to export must be heightened. This necessarily means greater agricultural production, rather than just formalistic adherence to notions about private enterprise.

The nature and importance of agriculture, and policy for its future

For the outside world, Uruguay's importance rests primarily on its exports of wool. In normal years, wool earns over half of the country's foreign exchange. Meat and hides normally earn another quarter to third of the total. While exports of grains and their derivatives occasionally have contributed heavily to the total, animal products remain the mainstay.²⁰⁸ This has been true throughout the country's history. As early as 1747 the Spanish government shipped dried and salted meat to its colony in Cuba, and meat and hides to Spain, from Montevideo. By the 1780s, the Banda Oriental also was shipping fruits and vegetables to the settlements along the Río de la Plata.²⁰⁹ The opening of a meat extract plant in 1863, and of a frigorífico in 1884, were two steps which confirmed this earlier economic orientation.²¹⁰

Stockraising is accomplished most successfully on large tracts of land. The climate of Uruguay precludes successful cultivation of much of the territory because of the seasonal nature of the rainfall in the Interior. The thin topsoil in these areas contributes to making the country almost uniquely suited for grazing animals. Because there is seldom snow or much freezing weather, animals can be permitted to remain without cover throughout the year, and therefore investment in physical plant for *latifundios* (the great cattle and sheep ranches) may be small. At the same time, the natural vegetation is often so thin that animals do not grow as rapidly as in nearby countries, but the average cattle raiser seldom supplements it with purchased forage. While the Uruguay of the colonial and early independence period attracted only small attention from foreign investors in commercial agriculture, the coincidence of the mechanization of land and ocean transportation, and the first tentative steps toward political stability, occurred in the 1860s. With the establishment of the first frigorifico the need for improved cattle became apparent; in 1885, legislation supporting this goal was enacted.²¹¹ The development of the meat industry was almost exclusively in Argentine, Uruguayan or British hands until United States interests entered in 1911.²¹² After the withdrawal of the United States plants in 1957, the British remained the principal foreigners in the business.

The wool industry similarly became important in the 1860s, and exports increased rapidly during that decade.²¹³ The trade also was controlled in large part by Argentine and British interests, and this remains true to the present time.²¹⁴ The distribution of the rural population, and corn and wheat production, are almost in inverse proportion to the density of sheep.²¹⁵

On the whole, Uruguay's ability to export the products of stockraising has decreased as its population has increased. Analysis by rural sociologists, based on the data of the agricultural censuses which are conducted every five years, shows that there is increasingly serious depopulation of the Interior of the country, outside of the cities and towns.²¹⁶ At the same time, data appear to support the contention that gross agricultural production has at best remained steady over the last 65 years, although in some cases it has actually fallen; this, plus the increased consumptive capacity of the population, has contributed to Uruguay's problems.²¹⁷ It is urged that a larger rural population, if settled on small but adequately-sized farms, and with adequate supporting conditions, would contribute to the economic strength of the country. It also is suggested that there would be some long-run gain if the small farm population became more numerous and more politically, socially and economically self-reliant.²¹⁸

These facts underlie the present double-pronged attack on the country's agricultural problems. The specific goals of the Colonization Institute are to place families on small tracts of land in circumstances in which they will have use of the land, with the expectation of eventual ownership, as well the necessary credit, machinery, seeds, training and short-run supervision so that their occupancy will be successful.²¹⁹ The government has supported research in and production of improved seed, as well as the development of price support programs to encourage small farm operators to raise grains for export as well as for domestic use.²²⁰ The government also has

sought and received the assistance of the IBRD and the United States for raising the stockraising potential of the larger properties so that the ability to export will increase to the point where a balanced international trading situation may again exist.²²¹

Comparison of the 1951 agricultural census with that of 1956 showed that some gain had occurred in the effort to develop more small farming properties. While the number of properties increased from 85,258 to 89,130, an increase of 4.54%, the average size fell from 199 hectares (492 acres) to 188, a decrease of 5.5%.²²² To offset this theoretically advantageous change, there was an impressive drop in the rural population, from 453,912 to 413,859, a loss of 8.2%; this produced a drop from 3.8 workers per rural property to 3.29.²²³ The conclusion is indicated that there is increasing multiple ownership or operation of pieces of land, and that the goal of land distribution is farther away. Granted the comparative shortage of farm machinery in the country, it is unlikely that the productive capacity of the Interior has increased.²²⁴

The subsidy program for farm products is subject to some question. In some years the country has produced substantial exportable surpluses of wheat and other grains and their derivatives. The cost to the Treasury has been enormous, however, and land which is at best marginal for cultivation has been employed. The careful attempts to phrase the subsidy laws so as principally to benefit owners or renters of medium-sized or small farms, have not succeeded in denying the largest subsidy payments to the holders of *latifundios*. On the whole, the program has been regarded more as a clumsy but rather unsuccessful attempted political payoff to rural interests than as anything else, and one which actually has wound up by benefitting those least in need of it.²²⁵

The country's most puzzling problem centers on the *latifundio*, however. The importance of these large landholdings has been clear to all, but there is also general agreement that the economic and social class which is associated with it has been called in another time and place "the malefactors of great wealth". The *latifundios* are the products of experience and economic need in the past, as well as in the present. While such holdings might be misuse of land in one region, they may well be the only practicable or proper use in another.²²⁶ Granted the importance of their products to the country, it was logical that their owners should enter politics in their own defense. In Uruguay as in the United States, the defenders of a local status quo sought refuge from the political majority in regionalism. This endured only so long as the *latifundistas* and their *gauchos* could win the occasional civil wars. When victory fell to the government in 1904, the way was open to national political and economic unification.

Although the *latifundio* has been the backbone of the economy, the attitude of the Batllistas has fluctuated from anxious solicitude to calculated indifference. Always, there has been the implicit intention that it would pay the bills for the country's economic growth and extended social welfare program. Under the announced intention to maintain the quality and health of animals, as early as 1910 the government attempted to establish controls over conditions in the great ranches.²²⁷ When it was realized that the frigorificos were a vital part of the country's industrial plant, the government began to inspect, regulate, and infringe upon their

working conditions, bookkeeping methods, and general managerial freedom.²²⁸ Since the coming to power of Batlle, Colorado leaders have been painfully aware that this is a foreign-owned or oriented industry, with resources very nearly equal to those of the State itself, but with participants decidedly not in sympathy with the State's announced purposes. The electoral victory of these participants might well reverse the entire trend of the country's development, as conceived by the Colorados, although Batlle's views forbade electoral corruption to maintain his predominant position.

The government has been forced to compromise with the meat industry on innumerable instances. The experience of the *Frigorifico Nacional* is a very pointed example. Unable to control industry policies except in a very general way, but certain that the country was being victimized by its management practices, the government established the plant in 1928. It exercised a monopoly for supply of consumers in Montevideo, but also was intended to set the pace in price, efficiency and sanitation for preparing meat for export.²²⁹ By 1942 the plant occasionally had trouble obtaining animals, since the government insisted in attempts to hold the line on prices paid to cattlemen for deliveries in the official auction markets in Montevideo and Fray Bentos. This grew progressively worse in the 1950s, and smuggling of live animals to Brazil and Argentina grew to the point that even the private plants, which would have paid more for their supplies in order to maintain their export levels, could not obtain them. In the long run, the national economy itself was seriously harmed. Measures to suppress the traffic failed, particularly since the cattlemen's interest groups themselves gave implicit support to the smuggling.²³⁰

Several types of remedial action were taken by Colorado governments but none really alleviated the problem.²³¹ The point was demonstrated by the announcement by the plant's Board of Directors in 1959 that its deficit in the last five months of the preceding year, during which it had been able to make deliveries of meat regularly only by heroic measures, had been the highest in its history.²³² The Blanco party, then in the opposition, had argued for the abandonment of subsidies of the prices charged to consumers;²³³ shortly afterward, with their victory at the polls, they had the chance to act. After bitter public debate, on June 9, 1959, price ceilings were removed, a qualified open market for Montevideo was established, and cattle again became available in quantity.²³⁴

The result of this retreat was of some benefit to the foreign trade standing of the country, but the attempt to subsidize prices to the consumers had failed completely. Yet cattlemen have not yet taken the initiative of improving their animals, and thus their production, to the point that the country has been benefitted. The average rancher remains an absentee owner, living in Montevideo if not in Buenos Aires. The average Uruguayan steer still takes four years to reach the market, although the Argentine or North American reaches it in two to three. The difference in potential productivity is great. At the same time the foreign private plants, as well as some of the smaller, domestically-owned, plants, appear not to have maintained honest relationships with the government; legislative investigations in 1956 reported that the United States owned plants, in particular, kept double sets of books, falsified records, and demanded large subsidies to which they were not legally entitled.²³⁵

Prior to the Monetary Reform of 1959, the government imposed large but unacknowledged export taxes, through its control of transactions of foreign exchange. These paid the subsidies which favored the urban lower classes and the small and medium-sized farmers.²³⁶ These subsidies did not in fact benefit the rural laborers, but this apparent deficiency in the program of the Colorados was largely the result of a gentleman's agreement. The latifundistas therefore were able to maintain their control over the thinking of their workers. A significant feature of the Monetary Reform is its effort to raise the productive capacity of the country so as to meet the demands of farmers and ranchers while also meeting the State's social commitments. While the \$7 million loan from the IBRD is expected to encourage stockraisers, the proceeds from "retentions" (modified export taxes) are to be used both to encourage small farmers to increase their production and to supply subsidized products to the urban lower classes.²³⁷ Legislation favoring the great land owners has been attacked as class legislation, as indeed it is; yet from the viewpoint of the national interest it is essential legislation. The Blanco government has talked of the country's duty to live austere, but the rural interests are determined not to allow this to affect them.

The economy and foreign trade: the Monetary Reform

In December, 1959, the most significant economic policy change of the period since the second world war was adopted. It marked an effort to liquidate completely the system of foreign exchange and international trade controls which had been built up after the adoption of the initial trade controls law of November 9, 1934.

Uruguay habitually has enjoyed overall net favorable exchange and trade balances during periods of world wars, and has suffered net deficits in periods of world peace.²³⁸ These balances have been reflected in periods of freedom from stringent controls on imports during wars, and in their reimposition during peace. During the second world war when little could be imported, few controls existed; this was extended into the second year of the postwar period. By July 1, 1947, the abnormally large war time reserves of gold and foreign exchange held by the central bank had been reduced to \$274,182,000. These were composed of \$160,776,000 held by the Banking Department of the central bank, and \$113,466,000 held by the Issue Department as backing for the country's currency. At that time a system requiring prior permission for imports was re-established; this had been normal procedure prior to 1940. Despite the controls, reserves continued to decline. On July 20, 1950, however, during the Korean War, limited import freedom was restored in anticipation of renewed favorable balances. This was again cancelled, on April 14, 1952, and prior permission requirements reestablished, since despite the war reserves had fallen to \$148,000,000. Although the holdings of the Issue Department had risen to \$163,467,000, the Banking Department now showed a deficit of \$14,569,000. The overall drop in reserves reflected the foreign trade deficit in this period, primarily.²³⁹

On August 3, 1956, importation without prior permission was again decreed, but with a complex system of controls on the availability of foreign exchange to importers.²⁴⁰ Contrary to the expectation that the careful

use of discretionary power would assure safe resort to this system, the adverse exchange flow had become so serious by October 17, 1957, that all imports were prohibited; the Banking Department now showed a deficit of \$81,200,000.²⁴¹ The government found it necessary to conclude bilateral trading agreements as a means of maintaining control over trade, and negotiated moratoria on payments. The situation had been precipitated when wool raisers and exporters refused adamantly to deliver wool for export unless they received the peso prices they insisted on,²⁴² although other problems also contributed to the country's inability to earn foreign exchange. As a consequence, exporters of wool and some other products were finally granted the favored treatment which they had demanded, by Executive Council action of June 3, 1958. In some cases this amounted to three times what they had received previously.²⁴³ Although this frankly was acquiescence in the demands of interest groups, little else could be done. By the date of the inauguration of the Blanco government in 1959, some recovery had been made, but much distance remained. The outgoing government grumbled, with some justification, that its austerity policies in the preceding months, while improving economic conditions, also had been instrumental in its loss of the election.

The Blanco victory caught the party by surprise; it was apparent at the time of the inauguration that the new government had no operational plans for the solution of the problem. In July, 1959, at the invitation of this government, a five-member mission of the International Monetary Fund visited the country to examine its condition and to offer suggestions. The government hoped that the adoption of fundamental reforms, which would assure the IMF's Board of Governors of its sincerity, would result in Uruguay's obtaining IMF assistance. Economic stability, and consequent recovery, would require many improvements in the domestic economy; the achievement of greater productivity and the recovery of the ability to export were regarded as essential. These internal steps could occur only if there were measures taken to give firmness to the currency, and rationality and objectivity to international trade policies.²⁴⁴ Implicit, but apparently not politically feasible, was the need for at least a moratorium on further legislative enactments in the fields of social welfare and subsidies; the already-existing legislation, while extending many favors to the lower classes, also has made Uruguay one of the highest-cost countries in the world, and therefore has curtailed its ability to compete with other countries.

The report of the IMF mission was released amid cries by nationalists and leftists that it infringed on the country's sovereignty.²⁴⁵ It urged the creation of new industry and its territorial dispersion around the country, the elimination of special privileges and protections for favored industries, the stimulation of exports and the freeing of imports from controls as soon as a balanced payments situation could be achieved, and the establishment of a single open market rate of exchange for the peso for all transactions. It urged that the Banco de la República become exclusively a central bank for rediscounts, currency issue and management, and control of foreign trade operations. And it urged that the various government banks and credit institutions be unified into a single bank. Uruguay would be encouraged to double its \$15 million quota with the IMF even though it had completed the payment only a short time before.²⁴⁶

It was implicit in the recommendations that Uruguay and the IMF would have to reach an agreement regarding a realistic par value for the peso. The country's long-term insistence that it be accepted at 1.519 pesos to the dollar, the figure at which the government sold itself foreign exchange for meeting official obligations, was rejected as a basis, since it was obvious that the figure was not recognized nor used for commercial transactions.²⁴⁷ The importance of agreement with the IMF lay in the understanding, also implicit, that it would lead to large-scale credits and loans for the country by private foreign banks and government lending agencies.

The government enacted some of these proposals in the Monetary Reform Law of December 19, 1959. The principal details of the law were partially copied from reforms enacted in 1958 in Argentina; during the parliamentary debates on the bill, the political left in the General Assembly alleged that in both cases the countries had been surrendered to foreign big business interests and to "Yankee imperialists" in "Wall Street" and the IMF.²⁴⁸ These same spokesmen also held that the application of the law would go far toward offsetting many of the advantages of social legislation favorable to the lower and lower-middle classes during the preceding half-century. Whether the prediction was valid was not the only factor worth considering in an evaluation, however. At least as important is the answer to the question, was any net national gain achieved by the enactment?

The law appears to seek extremely simple goals from the viewpoint of international trade. These are the development of a single exchange rate for the peso in international transactions for everyone but the government, as well as a gradual elimination of controls over imports and exports. The open market rate of exchange is to apply to all private payments. Both exporters and importers are to deal freely in goods at this rate, although the Banking Department of the central bank will retain complete control of the exchange itself by means of the requirement that all exchange operations will be conducted with it or with private banks under its supervision. As a temporary measure, the Executive Power is authorized to limit imports by two devices. It may require the deposit with the central bank, prior to the actual importation of goods, of specified percentages of the ad valorem value of the proposed import. It also may impose either import taxes or prohibitions on articles which would compete with domestic production or which would be regarded as luxuries.²⁴⁹

Each two months the Executive Power fixes, within limits expressed in the law in percentages, the amount of the peso proceeds from exportation which will be "retained" by the central bank at the time of the transaction. This amounts to a variable export tax, and is imposed on wool, grains, meat and hides; during each two month period it is stated as a quantity of pesos per export unit of the commodity. The income from the retentions is to be used to support a number of social and economic goals.²⁵⁰

The gold value of the peso was re-established at a peso-dollar relationship of 6.50 to one, in place of the former 1.519 to one, for all official transactions and for the valuation of reserves in the vaults of the central bank.²⁵¹ The advantage gained was used by the government to improve the status of its account with the central bank, and to reduce the total of the redis-

counts which have been made by the rediscount department of the bank to its own Banking Department. Although this action within the central bank was nothing more than a paper transaction, it permitted compliance with the policy goal of the government of reducing the bank's rediscount commitments. The new valuation of the peso in relation to the dollar was not at all in accord with the implicit wishes of the IMF, however, since it did not correspond to any currently-used trading valuation. The Uruguayan government took the position that it marked the limits of political practicability; to have permitted a completely open exchange at the rate of 11 to the dollar, which was the current open market rate, would have been too damaging to national prestige. The accuracy of the claim may be recognized, but the utility of the special rate was open to challenge.

The fiction of this rate was fully revealed by the last provision of the law. A fund of \$20,000,000 was placed at the disposition of the Banking Department of the central bank for operations in the open foreign exchange market, so that the exchange rate could be maintained as closely as possible at the level determined as optimum for the operation of the Reform. In practice this has remained at approximately 11 pesos to the dollar. Retentions levels have been set on the assumption that it would continue within each two-month period, in spite of heavy pressures by wool exporters to force it upward.²⁵²

The effects of the Reform were expected to be far-reaching, in spite of its apparent simplicity. Dealers in the country's major export items presumably would receive the full peso equivalent of their earnings of foreign currencies, less the retentions; the political game for them now would center on their ability to keep these at the lowest possible level, within the limits stated by the law.²⁵³ On the other hand, since the retentions would be used for subsidies of food, the advancement of small and medium-sized agricultural interests and of "basic industries", the construction of farm-to-market roads, the accelerated customs-free importation of a wide variety of essential goods in short supply, and a grant to the Mortgage Bank for the further financing of small loans, the counteracting pressures would come from the same groups which had competed with the great ranchers and breeders before the Reform.

The government's principal spokesman for the bill in the parliamentary debates was Treasury Minister Azzini; he attended many of the committee hearings in the two chambers himself, and also participated in floor discussions. He and his supporters had not argued that the enactment of the bill would solve all the country's economic problems. Rather, the keynote of austerity was reiterated. He held that skillful administration of the law, the balancing of retentions against possible speculation by exporters or raisers, and the likelihood of the immediate availability of essential consumers' goods and food in the country's markets, would offset possibly destructive inflationary developments. Serious strikes and street demonstrations, some of which had demanded the use of troops in order to keep the peace, had already occurred in Montevideo during the year in protest against rising living costs. Legislators were keenly aware of the public interest, therefore.²⁵⁴ Azzini promised faithfully that the retentions program would be administered so as to obtain for the government a major portion of the pesos newly-available to exporters, so that windfall profits

also would be avoided. In this way he received the parliamentary support of the UBD, which regarded itself as representative of the professional and urban middle classes of the country.

It was quite clearly a calculated risk of major importance—and of some dubiousness. It worked out, of course, that the inexperienced Azzini lacked the administrative and political skill to do what he had promised. To assume that Nardone and the herreristas actually wished to support him against the large ranchers in the bitter conflict of interests which developed immediately is to assume the impossible, since the new law favored these groups which had been most responsible for the strength of this sublema. The UBD leaders therefore felt defrauded; unless they could divorce themselves from the Reform in the minds of their constituents, its effects would destroy their chances for political success in the 1962 election.²⁵⁵

The principal immediate victims of the change were the lower and lower-middle groups of the country, both of which suffered an immediate deterioration in their living levels, beyond that already experienced, as living costs rose almost vertically.²⁵⁶ On the other hand, there was an immediate major appreciation of rural property values, in anticipation of unprecedented prices for meat and wool.²⁵⁷ The effects of the retentions varied, however, depending on the commodity involved. The retention on wool turned out to be very high, although a short-lived boom in world prices concealed the fact at first. After a flush of optimism on the part of producers and exporters, retentions bore down heavily; the same pattern of smuggling and withholding from the market which had cursed the country in the 1950s began to develop. This contributed materially in 1960 to one of the worst trade deficits in the country's history.²⁵⁸ On the other hand, treatment of meat exports, coupled with the free price and supply market in Montevideo, resulted in very attractive conditions for cattle raisers.²⁵⁹ The meat packers and exporters, and the country's economy, received an unexpected windfall as the 1959-1960 drought forced large numbers of cattle to market and into exports prematurely.

The abruptness of the Reform was almost staggering. It was clear that the country had been living for many years beyond its means, and that the distribution of the national wealth which had occurred as the result of the broad social laws adopted by successive Colorado government had placed the burden on the rural interests of the country. For a time, at least, the pendulum swung to the opposite extreme, and groups which had been accustomed to having their way politically for a half century now found themselves to be the disadvantaged. The bitterness of the UBD was more than matched by the views of the parties to the left. The quincista Colorados had controlled the government during the decade in which conditions had deteriorated. Their policies during this period certainly had indicated little real desire to improve the capacity of the country to support itself. They seemed not to have any basic awareness of the degree to which they had contributed to the condition. This sublema argued that the Reform had not been needed, and that the foreign trade control measures which had been taken prior to the 1958 election would have corrected what was only a temporary inconvenience.²⁶⁰ Left-wing socialists and communists held that even the quincista measures had been unnecessary concessions to conservatism; their own prescriptions for

the country were invitations to open economic chaos, however, and reflected their party lines and demagogic approaches to the justifiably unhappy social groups of modest income.

The Blanco government indeed appeared to have embarked upon a type of tight-rope act requiring extraordinarily steady nerves. This seemed rash, especially in a country in which the bases for the adoption of any hazardous policy—expert non-political public administration, and sympathetic public opinion—did not exist. The enactment of the Reform had been predicated on the support of the IMF, however; assistance already had been extended to other countries which had met its conditions, as well as to some which had not, and the Blanco government felt it could expect the same. As it turned out, the IMF was not completely satisfied with the herculean measures taken. The new policy had been adopted without full consultation between the Uruguayan government and the Fund, and there was dissatisfaction with the value which had been assigned to the peso.

In the law which raised the Uruguayan quota with the IMF from \$15 million to \$30 million and voted peso funds to pay it, a new exchange rate was agreed upon. It was flexible, and was based on the actual peso payments, after retentions, to wool exporters. This ratio was approximately 7.40 pesos to the dollar.²⁶¹ It was expected that the Governing Board of the IMF now would approve Uruguay's request for a "stand-by" credit; this would, in effect, place a symbolic seal of approval on the government's efforts, and the country would be able to obtain foreign credits essential to the expansion of its economy and its ability to export. Finally in October, 1960, the Fund's credit was voted, and loans from both European and United States sources became available in larger quantities than previously. A part of the Blanco government's long bet appeared to have been won.²⁶²

Since this time the peso has remained at the 11 to the dollar ratio, which appears to be considered essential to the government's plan for stability and recovery. Actually, however, the internal conditions of the country were not affected materially by the maneuvers; the inflationary pressures which then existed, as well as the country's ability to export have not improved.

The economy and the problem of elasticity

Elasticity and the ability to adjust to changing circumstances are essential qualities for any economy, but for several reasons they exist only in limited degree in Uruguay. It is argued in "conservative" circles in the United States that private enterprise is the answer to all economic problems, and that its adoption will almost automatically assist in developing economic elasticity; this view has been central to United States economic policy toward Latin America until very recently, and its rejection by Latins, Uruguayans among them, has been a source of much inharmony.²⁶³ It is clear, however that elasticity cannot be high in a small country, in which the potential earners of essential foreign exchange will not take advantage of all opportunities.

Private control of economic activities now controlled or owned by the government enterprises in Uruguay would by no means assure profitable

or taxable-operations, even assuming domestic sources of sufficient capital to take over and operate these large enterprises could be found.²⁶⁴ Under the customary terms, a public service must almost necessarily operate at a loss. Uruguay shares the view of all underdeveloped countries, as well as some which are rather well-developed, that essential services must be provided at prices which enable lower-class consumers to enjoy them; therefore, transportation, electricity, potable water, etc., are subsidized, and the ability of the State's Treasury to pay really is the limiting factor. In view of the degree to which government penetration into the economy has occurred, this policy is indeed contributory to lack of elasticity in the economy. This really is a matter of degree, however, rather than of kind. If subsidies were withheld, many persons would be unable to employ these services; this is essentially a social policy choice which had been made by the government in past years, and habit and interest dictate that the choice shall continue to be respected.

The most immediate causes of inelasticity in the Uruguayan economy are factors which are not directly related to the contest of private ownership or initiative against public ownership. These factors work together to produce the development of inadequate money supplies for financing commercial or industrial projects, or for expanding agricultural production through the country's own efforts.

One of these factors is the very conservative banking policy followed by the government with regard to both the private banks and the commercial banking operations of the central bank. 58 private banks had been chartered in the country by the end of 1960; many of them had branch offices as well, and in 1958 there were over 175 branch private banks scattered throughout the cities of the country.²⁶⁵ Private banks operate under the law of January 10, 1938, which provides that banks normally may use as a basis for their commercial operations an amount based on deposits and equal only to five times the sum of their capital and reserves. Only in the case of banks of "special liquidity" may the figure be raised to eight times capital and reserves. All other deposits must be placed completely in current accounts with the central bank, or in government or Treasury bonds.²⁶⁶ Policies regarding the lending capacity of the central bank are technically parallel to this, but they are in fact more liberal in that the General Assembly is free to legislate an increase in its capital; it has done so on a number of occasions in the last two decades.²⁶⁷

The velocity of money flow certainly would be heightened by the use of checking accounts; they were authorized in 1919. Checks are still treated with much suspicion by the average individual, however, and it is nearly impossible in practice to obtain sight payment except at banks where the individual is known personally. Therefore, they are not used commonly except for commercial transactions.²⁶⁸

Rediscounts for both the Banking Department of the central bank and the private banks are handled by the Issue Department of the central bank. It may rediscount commercial paper under rules which are established for it by its Honorary Advisory Council.²⁶⁹ Under policies in force throughout the 1950s, rediscounts were not granted to private banks in excess of 35% of their total of capital, reserves and deposits; in 1957 this was cut to 30%, and in 1960, after the Monetary Reform of 1959, there was serious

effort to curtail this even further although it was not legislated. Commercial paper on a wide variety of non-luxury imports and non-essential domestic manufactures was declared ineligible for rediscount consideration, however.²⁷⁰ These rediscount policies specifically had limited effects on the supply of money and, when combined with stiff requirements of prior deposits for certain types of imports, accomplished partly the goal of protecting the economy from the inflationary effects implicit in the Reform's freeing of foreign exchange to seek the open market rate.²⁷¹

On the whole, therefore, the banking system is not in a position to expand the money supply to the country rapidly in response to expressed needs of the market. The serious efforts of the government in 1960 to restrict the money supply, or at least to maintain it as steady as possible, were made at a number of pivotal points. There seems to be much truth to the saying that the Uruguayan peso is among the most firmly based Latin American currencies.

A second limiting factor concerning the elasticity of the economy grows from the position of the retirement and family allowance Funds. These agencies are required by law to invest substantial portions of their reserves in government or Mortgage Bank bonds, and much of the balance of their reserves must be held either in cash or in deposits in the central bank; some of the Funds are authorized, or required in a few instances, to invest in housing or other projects for the benefit of their contributing members or beneficiaries.²⁷² A very large proportion of their funds is tied up in the persistent, technically illegal failure of employers to pay in full the sums withheld from employee salaries, or set aside to employee account from gross profits. Since the crowded condition of the courts, and ambiguities in the wording of some of the legislation involved, make it virtually impossible for the Funds to prosecute delinquent employers successfully, the Funds can only regard the withholdings as forced loans.²⁷³ As a result, the Funds seldom have money available for placing in the commercial market, although this action would contribute a desirable element of elasticity to the economy. In addition, private individuals seldom are in a position to save very much for retirement or other purposes, since living costs in the past decade have managed steadily to absorb any pay increases.²⁷⁴ There is an established pattern of some individual saving in the Mortgage Bank, thanks to very extensive advertising; this is clearly earmarked for loans for home and commercial building construction and purchase, however, and its use is denied to the ordinary commercial market.²⁷⁵

In many countries in which the habits of holding savings accounts, or of purchasing retirement annuities in private insurance companies, prevail, there are large masses of funds available to the commercial market. The quasi-monopoly of the Insurance Bank, as well as the almost universal reliance of the wage-earning population on the retirement Funds, precludes the formation of such funds. As a result of these practices, plus the controls on the banks, the money supply of the country is sharply restricted, the possibility of the development of elasticity, through Uruguayan efforts alone, is somewhat remote as a result. The heavy dependence on a single sector of the economy contributes greatly to the situation. The question of the role of private enterprise should be placed in proper context.

Social and economic policy in the 1960s

The non-political problem facing Uruguay can be stated quite simply: the national income pie is not large enough at this time to permit incomes for the latifundistas which will meet their full expectations, and also the continuance of subsidies for selected industries and for the urban lower classes. The country's average level of living has outstripped its productivity for many years; only recurring world crises, and the resulting short-lived periods of high demand for agricultural raw materials, have enabled the country to survive at its accustomed level.

The austerity which today is being imposed by the Blanco government, with its curtailment of subsidies and social services for the urban population, is quite clearly the result of these circumstances. Equally evident is the necessity for the decision, early in 1961, to reduce retentions on exports so as to permit agricultural and stock raising interests larger incomes.²⁷⁶ It is argued today by many among the middle and lower classes, and certainly by demagogic leftists, that these decisions were to be expected. What else, it is said, could be expected from a government controlled by Nardone and the herreristas, and influenced by the thinking of the IMF and the United States? It is true that these decisions were easier to make than other types might have been, since they dealt with obvious facts, not subtle ones, and so required comparatively little thought.

The arguments of the left beg the real questions confronting the country, however, although they tend, with increasing certainty, to guarantee public acceptance of the influence of leftists and defenders of Fidel Castro's variety of social revolution. The questions that arise, implicitly or explicitly, concern the country's survival. It is clear that proper solutions must fall within the country's political possibilities if genuine and lasting improvement is to occur as well as public acquiescence. But since no political decisions ever have been made which have definitively denied an established interest something of the perquisites of power, and thus precluded its continued existence, the policy makers are encumbered by a clutter of interests of all varieties, both important and unimportant. The country must determine candidly if it wishes to continue to allow this type of political behavior to continue. The problem was defined by the National Chamber of Commerce in a manifesto to the General Assembly and to the general public in 1957:

It is necessary to correct our course. Social unrest encumbers the free interplay of democratic institutions. The political or union meetings held in the last few days have become tumultuous and have shown an increasing irritation with the insecurity of life which is only half-concealed, because of disgust with eternal promises which are never fulfilled. Everything and everybody are doubted, and especially the legislators who, amid so grave a situation, continue to vote laws for their personal benefit and appear to ignore the climate of the moment.²⁷⁷

What really is suggested is that the country must recognize that it has lived in stagnation for some time. The degree to which Batllista programs have distributed the country's available wealth has been impressive. It has supported a development of political involvement, and a freedom from many of the bitter economic cares which infect the lives of millions of fellow Latin Americans, for at least half of the population. But

just as Uruguay was enabled to live well by virtue of the problems of the world around it, so now, in a period in which the semi-developed countries find themselves at a serious disadvantage because of adverse terms of trade, it is called on to observe unwonted austerity in both domestic and international terms. The degree to which the country's political leaders prove able to meet the challenge by the development and execution of appropriate policies, will determine the status of the country for many years to come. No democratic country will be allowed in this period to go under entirely. The agricultural surplus shipments from the United States in 1960, coupled with the policy of massive economic aid to Bolivia and other desperately needy countries in the post world war two era, prove this. But a country has a duty to itself, if to nobody else, to maintain its dignity and self-esteem. For Uruguay, which in the present century has considered itself a gadfly for the conscience of Latin America, this is essential.

CHAPTER VI

CONCLUSIONS: TRAUMA IN UTOPIA?

The student who examines Uruguayan politics ultimately develops a feeling of some frustration. It does not derive from inability to obtain information, for this is readily available in a society in which there is much publication, where the average man is comparatively well-educated, and a tone of greater trust and confidence among individuals prevails than in almost any other Latin American country. Nor does it derive from a failure among Uruguayans to express themselves, distinctly and (sometimes) pungently, about almost any question. Rather, it derives from the realization that most Uruguayans know much of their country's problems, generally understand what is needed to correct them, yet feel constrained to talk and plan incessantly, but without actually taking the steps toward the essential changes which will cut to the heart of the difficulties. It seems an anachronism to North American ears to say that this is a society which is both socialist and conservative, yet it is true. For the most part, its past leaders have seemed dedicated to peaceful stasis within a democratic context. This is a logical impossibility.

Proportional Representation and the unchanging froth of politics

It has been suggested by some writers that political science is the study of the use of power for *definitive* purposes. If this is literally true, then possibly it can be said that Uruguay really has no politics. Power seldom is used for entirely definitive purposes, for there is always an evident withdrawal from the logical consequences of full enforcement of announced policy. In the 19th century, when Blancos and Colorados fought over questions of personalism and control of the wide-open cattle ranges, there were occasional moments of mutual liquidation. Amid these contentions, there was developing the basis for more peaceful competition, however, so that the intellectual currents symbolized by José Varela and José Batlle built upon and focused attention upon a gradual development of humanitarianism and willingness that the vanquished should be allowed to catch his breath against the time when he could fight again. It should occasion no surprise that the major pacts between the parties in 1851, 1872, 1897, 1904, 1917, and 1951, as well as all of the minor ones which have not been discussed in detail, gave each participant something of his wishes, but not all, in compromises arranged among reasonable men. No other explanation can support the unique phenomenon of the Blanco party which managed to retain its identity, and which was, when it finally assumed executive office in 1959, 93 years removed from its last such responsibility.

The nature of Hispanic culture suggests that both the cruelty of absolute destruction and the humanitarianism which permits the gallant foe to live are discernible. Perhaps the mutual tolerance could not have continued so long if Uruguay had been marked by geography or history for greatness. The country's small size, potentiality and population, have

caused it to look to other than great power status or high prosperity for its prestige. Those ambitious for great influence or high society always have looked elsewhere. The reality of Uruguay's contribution to Latin American political experience rests in its proof that men of Iberian background can live together in peace and mutual satisfaction, rather than in the abysmal cruelties which seem so often to predominate in the hemisphere.

Uruguayan politics have very nearly elevated this quality from a virtue, leading to better things for the country, to an abuse, an end in itself. The multiple party system is supported by Proportional Representation and the complete freedom to organize lists of candidates, and all contestants are assured an honest vote count as well as some government funds with which to get their ideas before the public. This arrangement is not without virtue; few countries in Latin America have yet demonstrated that the opposition is viewed by the current holders of power as anything but a gang of traitors or potential thieves.

The election system contributes to the institutionalization of both personalisms and interest groups, as *sublemas* or *tendencias* within the parties or *lemas*. In view of the propensity which any semi-informed group of voters has to accept leadership by ambitious power-seekers, the arrangement contributes little to the cause of responsible government. José Batlle expected that he could create a unified party of social justice and principles from the personality—and faction-ridden Colorado party of the 1890s. This goal, if reached, would have clashed with his concurrent insistence that only the adoption of PR could assure responsibility and democracy. As it turned out, Batlle, as the greatest *caudillo* of them all, imposed an ideological legacy on the country. In so doing, and in establishing a partisan organization to further these purposes, he made it impossible for those who now follow his spirit to deal with the present in any but the terms of the past.

In other national systems in which parties are not so ideologically-bound, the interplay of interests occurs both inside and outside them. In Uruguay it tends to occur principally within the parties because of the firm identities of their *sublemas*. The parent *lemas* therefore are federations of *sublemas* which often differ sharply among themselves. In times of partisan stress, the arena for settlement often must lie outside them. During periods of Colorado control, compromise solutions to national problems frequently were achieved on the floor of the legislative chambers, even though the party had a theoretical majority. The Blancos appear to have made serious efforts since 1959 to settle their problems *in camera*. It is ironic, however, that PR, which was thought the key to flexibility, has become instead the means by which rigidity and occasional near-chaos have been introduced into the system.

The Executive Power and political polarization

Some Uruguayans suggest that the country's political haggling could be ended by the discovery of a new strong man. This is a cheap and easy solution; it ignores the fact that the interest groups have their own reasons for being. Yet the obvious political phenomena impede popular understanding of the system, and it is no wonder that many long for the seem-

ingly simpler days in which there was less social tension and less demagogic talk. The haggling possibly could be dampened by firm and responsible executive leadership, for this could serve to polarize the exercise of power, and the competition for its control, around a few positions rather than many.

Uruguay plainly does not have such an executive, by its own choice. José Batlle's unique contribution—his social reform measures were in advance of their time in Latin America, but scarcely novel in view of José Varela's ground-breaking precedent—was his revival of the Council Executive form from the limbo into which it had fallen after its use a century previously in Buenos Aires. Conscious of the past, in which power had been subject to personal contests, and in which the Presidents of the Republic had remained on top only so long as they controlled superior military power, Batlle proposed, in effect, that all of the would-be caudillos be admitted to the decision-making position simultaneously.

In retrospect, one is inclined to wonder if this "solution" was not proposed to rectify a phenomenon which was already disappearing. All of Batlle's social reforms presumably had been designed to stabilize the country and to set it on the path to maturity, yet he appeared to be creating a constitutional order which would deny full faith and credit to his own work. It may have been implicit, because of Batlle's position in the political world of his time, that he would personally control this Council; certainly his political opponents appeared to assume it would become a personal instrument, and so fought him. If this explanation is accepted, it can only be assumed that he expected irresponsible dictator-led chaos to reign the moment his back was turned, unless he acted to prevent it by dispersing power so widely as to prevent any one leader from developing either power or a lust for it. The fact was that the Council, without his control, degenerated into the chaos he appeared to dread—*through* adherence to the letter of the constitution of 1918, not in spite of it. Nine men do not equal one, regardless of possible idealist motivation, and the Council became a third legislative chamber. Entrusting some executive functions and powers to the Council, and others to an independently-elected President, was a makeshift compromise which precluded a "fair trial" to the Council form—assuming it ever deserved one.

The 1934 Presidency for a short time did organize power in unmistakable terms. Terra and Herrera, mutually distrustful, mutually hamstrung themselves. Presumably there can be little cause for complaint since this is what they started out to do. The period was one of marking time, however, not one of progress toward a definable goal; it seemed that the country merely waited for Terra to die so that his influence would disappear and a new attempt could be made. The Presidency of 1942 possibly could have laid the base for what was needed. It could be expected that since 1916 there had been some development of the economic and educational bases for more sophisticated political behavior; there seemed every reason to feel that, given time, political polarization within a democratic context might have developed. Too short a time elapsed to prove anything, however, for in 1951 the country was again pushed, for many mutually incompatible reasons, into the Council form. César Batlle's traditionalist followers who, Bourbon-like had neither learned nor for-

gotten anything as the result of the 1918-1933 fiasco, pushed blindly after the goal defined by José Batlle. They knew, of course, that at the same time they would be striking a blow at the upstart Luis Batlle, whose somewhat leftist demagoguery could only be construed as a facile perversion of the myth of the elder Batlle. On the other hand, Luis Herrera, who had demonstrated fully his untrustworthiness in 1933, and who had tired of his fruitless pursuit of the Presidency after many near-misses, now was willing to accept a third of the loaf as better than none.

The Council therefore is being tried again, with few of the participants really caring much if it succeeds. The Council is again virtually a third legislative chamber, with most of the defects of its predecessor and few of the merits claimed for it. Political polarization is as remote as ever, and the Council appears as unable to make decisions as before. This time there is no single decision-maker, and so the observer gets the distinct impression much of the time of confusion reigning, unchecked by the elected office holders. The Presidency of the Republic, held in rotation for a single year, is robbed of any influence the office might have by the strictures placed upon the office by the Constitution. The defenders of the Council argue that it submerges demagogues among colleagues who will keep them safely in check; thus the country can tolerate the experience of a Nardone or an Haedo in power without fearing the disaster such men might bring if they were in sole possession of power. Why should such a choice be made at all? the critic is entitled to ask. Dangerous or incompetent men should be excluded, and Uruguay is not benefitted by their tenure of the Presidency. The defenders of the Council also contend that the bi-partisan Council admits the two largest parties to power, and thus broadens the slice of the electorate which consents to its possession of power. But the critic is entitled again to respond that this has only admitted many of the conflicting interests to within the executive branch itself, so that the government becomes the victim of institutionalized schizophrenia—with even the two sectors of the Council subject to splitting under tension. The critic also is entitled to contend that just as the first Council was regarded as an instrument for José Batlle, so the second Council became in part the instrument for the country's second great caudillo, Herrera. With his death in 1959, its reason for existence disappeared almost completely.

A variety of solutions recently have been proposed to this obviously unsatisfactory situation, and it seems that something will be done. The country again is escaping the results of its own actions, and the Executive Council, which appeared twice because of the unwillingness of the country's political leaders to solve problems, presumably will disappear a second time because the country has fallen on economically difficult times. Perhaps after this experience the disillusionment will be complete; if so, not all will have been in vain.

Economics and the limits on the good life

The facts underlying the political turmoil of the past decade are that the country has been decreasingly able to pay the high cost of its version of the good life. New areas of social commitments on the part of the government have been established, while the cost of those already existing

have risen in both absolute and relative terms. Labor has become irascible in its continuing demands on both government and private enterprise. The progressive industrialization of the country, much of it actually involving the growth of private enterprise, has occurred on a resource base which, in far too many instances, is not native; thus, it has had to be subsidized if it is to exist at all.

The burden has fallen in both past and present on the landowner, principally the cattle or sheep raiser, for his has been the only natural resource able to earn the foreign exchange which the country must have to maintain its living standards. His wealth was primitive but great in the 19th century, and his close association with the official decision-makers of both parties was logical and necessary. The military, such as it was, was subject to his whims most of the time; despite the constant warlike struggles which marred that period, there were remarkably few military tyrants. The Church was a useful ally, and contributed, as a means of social control, to his supremacy. But José Batlle's views, which gave real implementation to the idealism of José Varela just at the start of the 20th century, were something else. They acquired force with the influx of urban lower-class immigrants and the extension of the suffrage, and soon they shifted the political balance of the country.

As population and the State's social commitments grew, so did the quantity and variety of urban interest and pressure groups. Concentrated in the national capital, their impact on government has seemed at times to be greater than that of the landowners. But always, when the rural interests have felt too abused, some demonstration of flat disobedience to national law has brought home the point that the tyrants of Uruguay still are the steer and the sheep, not the urban workers. While this has forced the hand of the government in the past decade, it may cease to do so *for the benefit of the landowner*, unless he demonstrates that he can produce enough foreign exchange to supply the country's genuine needs. The day-to-day instability of terms of international trade, but the seeming inevitability of their movement against the country dependent exclusively on agricultural raw materials for its foreign exchange, changes the frame of reference within which all of the country's interests must function. Seizure of the land by a radical movement of the left would be completely meaningless in itself as a solution to this aspect of the country's problems; yet it is precisely this that the leftists call for, as they have for years.

The increasingly serious shortfall of national productivity has been concealed by a number of factors. The State has encroached on certain sections of the economy, and worshippers of free enterprise rail against it as if this were responsible for all of the country's troubles. Such views really miss the point, for this is not the fundamental problem concerning private enterprise. For a century, business has tolerated basic legislation which hampers its organization, and a tax system which is irrational and incompetently administered. The first steps toward tax reform were taken in the 1960 budget, and adjustment of corporation laws now is under consideration. Little is being done to correct the defects of the system for management of the currency, however, so that there continues to be virtually the same kind of indiscriminate and punishing control on rediscounts

and the availability of commercial credit, regardless of the type of need or borrower. Small business often complains that this is partly a matter of design, to prevent new competitors from appearing on the scene. This has been the effect, design or no.

Finally, the vigor and elasticity of the economy are limited by demographic and geographic factors. The country itself is small and its internal market is limited by its small population. Its natural resources are almost entirely restricted to a soil which is not uniformly fertile. The extensive social commitments of the State, together with the obsolescent legal restraints on private enterprise, have made this country one of the highest-cost producers in Latin America. It therefore cannot compete for foreign markets for its manufactures. Taking the situation as a whole, the country is not attractive either to large new foreign or domestic investments, and it does not hold great appeal for the young University-trained specialist or professional who needs a job.

All of these factors have reached their logical culmination in the last ten years in inflation which has been most troublesome. There has remained enough stability in the economy, and strength in the controls which derive from the counter-balancing of interests and government action, to assure that the changes have not yet become disastrous. The pressures which have been generated have been great, however, especially as the State has been forced by falling real income to curtail, and in a few instances to renege on, its social commitments. The State has been cast as the villain of the piece. The contest of interests and parties is the real problem, and it has become so bitter that there is some doubt that the present troubles will be able to produce sufficiently clear insights for essential reforms to be formulated or executed.

Has the State failed in Uruguay?

The State clearly has promised more than it has been able to deliver. Its embarkation on a course of economic management was not accidental, for it occurred in response to both idealist liberal theory and articulate lower-class demand. José Batlle understood, even if many of his contemporaries did not, that there was much political mileage to be had from fulfillment of these voter demands for a larger share of the economic pie. But such sharing could only occur if there also were careful and competent planning so as to assure maximum use of the available limited resources. The evidence appears to indicate that this was understood, if perhaps somewhat dimly, and that there was reasonable success achieved so long as Batlle lived.

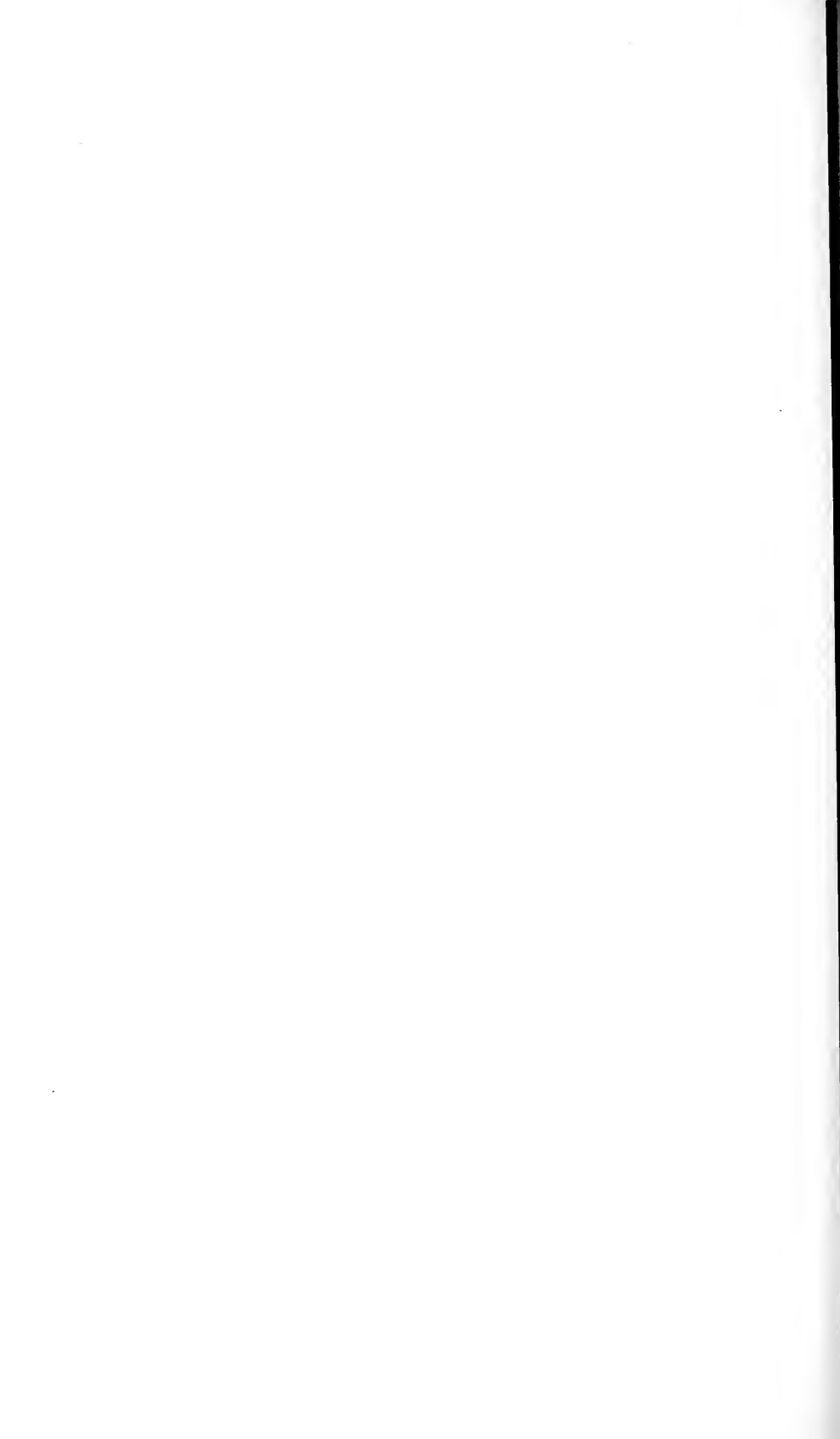
Subtly, but again for understandable reasons, the goal changed. The State tended to become an end in itself, with its multitude of semi-employed officials. Where Batlle had conceived of the political leaders as surviving in office only so long as they met the expectations of the voters, the leaders of the generation of Gabriel Terra, Luis Herrera, and Luis Batlle felt assured that the State could insure their continued power by becoming a milch-cow for spoils seekers. Where Batlle had considered the State's role in economic planning as central, but modestly confined to its areas of competence, the new leaders considered it qualified to manage virtually every-

thing without forethought or system. Where administrative incompetence and inept planning once had been regarded as serious drawbacks, they now became familiar devices to disguise the logical effects of the social corruption which gradually developed.

The State today stands as the culprit accused of many errors, although it is not guilty of them all. Its leaders, past and present, can be accused justly, however, of wilful ineptitude in the field of public administration. With all the potential means for economic planning and control in their grasp, they have failed to use them objectively and skillfully. Although the leaders know, with all the certainty that can be derived from the careful and professional studies by John O. Hall and his colleagues, and from the recommendations of the many agencies and organizations associated with the United Nations, that the State misuses the services of a shockingly large percentage of the productive population, there has been no slightest effort made to encourage either narrow or broad-scale improvement within the bureaucracy. Perhaps this can be tolerated in a somewhat slack and untroubled system in which the emphasis has come to be living together in harmony and without the push of competition. But it is no longer possible for Uruguay.

Powerful interests with the intent to engage wilfully in disobedience do so without the slightest fear of punishment. The disobedience of the land-owners has been reflected by an equal lack of regard for the national interests by both business and labor. It has seemed at times as though the only effective way to describe the situation has been to call it simple lack of patriotism. It would be too much to say that there now is imminent danger of a collapse of Uruguayan nationality under the impact of the struggle for relative advantage. There is not yet any indication that the pendulum has swung all the way to the creation of a new elite of the lower classes, as occurred in Juan Perón's fascist labor and militarily-dominated Argentine dictatorship. Certainly, however, there is no inevitably democratic result to be found in the interplay of economic forces. Equally clear is the certainty that the explicitly-stated verbal appeals to violence which characterize the Castro-leftist approach to politics can have their logical results in ever more frequent violent action, if it is not possible to awaken the majority of the country to the real meaning of these acts of extremist minorities.

Uruguay cannot much longer afford the luxury of failing to meet these problems. Two motivators today put pressure on the country. They are inflation, with its alter ego, poverty; and leftist revolution, as advocated by its egocentric Cuban apostle and his Uruguayan disciples. The overtones today clearly are of approaching disintegration of a way of life, even though the key instrument is its own justifiably prized freedoms, say the country's Cassandras. Who can say with certainty that they are not playing the same role as the tragic Trojan princess?



GLOSSARY OF ABBREVIATED TITLES CITED IN THE FOOTNOTES

Administración	Hall, <i>La administración pública en el Uruguay</i>
Adoption	Fitzgibbon, "Adoption of a Collegiate Executive in Uruguay"
Austeridad	Instituto Uruguayo de la Opinión Pública, <i>La austeridad y los problemas económicos-familiares</i> .
Bandera	Uruguay, Secretaría del Senado, <i>La constitución de 1952</i>
Batlle, Obra y Vida	Batlle (editor), <i>Batlle, su obra y su vida</i>
Censo	Uruguay, Ministerio de Industrias y Trabajo, Dirección de Industrias <i>Censo Industrial del año 1958</i>
Clases Sociales	Rama, <i>Las clases sociales en el Uruguay</i>
Código	Couture, <i>Código de organización de las Tribunales Civiles y de Hacienda</i>
Col. Leg.	Uruguay, Alonso Criado, <i>Colección legislativa de la República Oriental del Uruguay</i>
Con. 52	Jiménez de Aréchaga, <i>La constitución de 1952</i>
Con. Nac.	----, <i>La constitución nacional</i>
Coup	Taylor, "The Uruguayan Coup d'Etat of 1933"
Elecciones	Uruguay, Corte Electoral, <i>Elecciones Uruguayas</i>
Ensayo	Rama, <i>Ensayo de sociología uruguaya</i>
Enseñanza	Sosa, <i>La enseñanza en el Uruguay</i>
Estudios	Blanco Acevedo, <i>Estudios constitucionales</i>
Executive Power	Taylor, <i>The Executive Power in Uruguay</i>
Familia	Unión Nacional Católica de Acción Social, <i>Aspectos económicos de la familia en Montevideo</i>
Federalismo	Blanco Acevedo, <i>El federalismo de Artigas y la independencia nacional</i>
Fortnightly Review	Bank of London and South America, <i>Fortnightly Review</i>
Historia	Pivel Devoto, <i>Historia de la República Oriental del Uruguay (1830-1930)</i>
Historia, 1865-1897	----, <i>Historia de los partidos políticos en el Uruguay: vol. II, 1865-1897</i>
Incógnita	Instituto Uruguayo de la Opinión Pública, <i>Una incógnita nacional, El empleado público</i>
IUDOP, Estudio	----, <i>Un estudio sobre las posibilidades de predicción electoral</i>
Monthly letter	First National City Bank of New York, <i>Monthly letter from the Manager</i>
Obras Históricas	Acevedo, <i>Anales históricos del Uruguay</i>
Orígenes	Blanco Acevedo, <i>El gobierno colonial en el Uruguay y los orígenes de la nacionalidad</i>

Portrait	Fitzgibbon, <i>Portrait of a Democracy</i>
Reforma 1942	Uruguay, Secretaría de la Asamblea General, <i>La reforma constitucional de 1942, proceso de la Reforma</i>
Reforma 1951	Uruguay, Secretaría de la Cámara de Representantes, <i>Reforma constitucional de 1951</i>
Registro	Uruguay, Diario Oficial, <i>Registro Nacional de Leyes</i>
Salud	Instituto Uruguayo de la Opinión Pública, <i>La salud en nuestro país</i>
Sociólogo	Rama, José Pedro Varela, <i>Sociólogo</i>
Sofrerail	Uruguay, Administración de Ferrocarriles del Estado, <i>Technical Mission, Report</i>
System	Taylor, "The Electoral System in Uruguay"
Tratado	Sayagués Laso, <i>Tratado de derecho administrativo</i>
Universidad	Ardao, "La Universidad de Montevideo"
Vigente	Couture, <i>Legislación vigente en el Uruguay</i>

REFERENCES

PREFACE

¹ Russell H. Fitzgibbon, *Uruguay, Portrait of a Democracy* (New Brunswick, N. J., Rutgers University Press, 1954).

² Russell H. Fitzgibbon, "Measurement of Latin-American Political Phenomena; a Statistical Experiment", 45 *The American Political Science Review*, #2 (June 1951), 517-523; "A Statistical Evaluation of Latin American Democracy", 9 *The Western Political Quarterly*, #3 (September, 1956), 607-619; with Kenneth F. Johnson, "Measurement of Latin American Political Change", 55 *The American Political Science Review*, #3 (September, 1961), 515-526.

CHAPTER I

¹ Vivian Trías, "El Imperialismo en el Uruguay", *Tribuna Universitaria* #5, (April, 1958), 3-27, presents an argument typical of many urged by leftists in Uruguay. The sense of this position is that British action in the Río de la Plata was principally one of "divide and rule". The position, with variations, has been adopted by the "Ruralista" movement headed by Benito Nardone, who was President of the Republic, 1960-61. See Alberto Methol Ferre, *La crisis del Uruguay y el Imperio Británico* (Buenos Aires, Editorial A Peña Lillo, 1959).

That the country's economy is not entirely viable is recognized implicitly by the current negotiations for a Latin American Regional or Common Market.

² Santiago Bollo, *Manual de historia de la República Oriental del Uruguay* (Montevideo, 1897), 269-314; John Street, *Artigas and the Emancipation of Uruguay* (Cambridge, University Press, 1959), 162-213. Other works dealing with the period to 1815, in greater or less detail, are Eduardo Acevedo, *José Artigas, su obra cívica* (Montevideo, Casa A. Barreiro y Ramos, 1933), volume I of his seven volume series on Uruguayan history; the work is cited hereafter as *Obras Históricas*; Pablo Blanco Acevedo, *El gobierno colonial en el Uruguay, y los orígenes de la nacionalidad* (Montevideo, Casa A. Barreiro y Ramos, 3rd printing, 1944), which discusses the period to 1810 (hereinafter cited as *Orígenes*); Pablo Blanco Acevedo, *El federalismo de Artigas y la independencia nacional* (Montevideo, 1939), which covers the period 1810-1818, when Artigas suffered, for all practical purposes, the last serious defeat (hereinafter cited as *Federalismo*).

³ Uruguay's name during the Spanish colonial period was the *Banda Oriental*, or eastern shore of the estuary of the Río de la Plata. From this the inhabitants were known as easterners, *Orientales*, and the colloquialism continues in use today.

⁴ Street, *op. cit.*, 179-186. There are conflicting views regarding the Instrucciones. Street cites a book by a Venezuelan, Manuel García de Sena, *La independencia de la Costa Firme justificada por Thomas Paine treinta años ha. Extracto de sus obras* (Philadelphia, 1811), as influential in the thinking of many Latin American political

leaders of the period; at *ibid.*, 186, Street quotes García's translation of a portion of the United States Declaration of Independence, and points out the exact parallel of phraseology it exhibits with article I of the Instrucciones.

On the other hand, Héctor Miranda, *Las instrucciones del año XIII* (Montevideo, Casa A. Barreiro y Ramos, 2nd printing, 1935) analyzes the Instrucciones article by article, and shows how they grew out of experience, tradition or need in the Banda Oriental itself, although he also accepts the evidence that North American examples were influential.

Although it is clear that not all provisions of the Instrucciones originated with Artigas, he controlled the congress which produced them, and they were the clearest statement to that time of his position. Bollo, *op. cit.*, 261-269, 287-289, condemns the Instrucciones as a violation of the sovereignty of the people. Artigas had acted as a quasi-dictator, rather than as a leader in a democratic assembly, argues Bollo.

For a contrary position, see Edgardo Ubaldo Genta, *Artigas, el héroe de la Platanía* (Buenos Aires, 1945), 82-84.

⁵ *Orígenes*, 19-38; Street, *op. cit.*, 17-20.

⁶ This action by Spain was only a small part of the overriding record of jealousy between Buenos Aires and Montevideo, which existed throughout the colonial period and continued long after Uruguay became independent. The matter is discussed in great detail in Juan E. Pivel Devoto, *Raíces coloniales de la revolución oriental de 1811*, (Montevideo, Editorial Medina, 2nd printing, 1957). See also Street, *op. cit.*, 78-117.

⁷ Buenos Aires has been and remains the principal port of the Río de la Plata; hence its people are known as the people of the port city, or *porteños*.

⁸ 1 *Obras Históricas*, 1013-1023; *Federalismo*, 66-168; Street, *op. cit.*, 281-327.

⁹ Street, *op. cit.*, 371-372.

¹⁰ 1 *Obras Históricas*, 914-925; *Federalismo*, 169-234. Carlos Carbajal, *La penetración luso-brasileña en el Uruguay*, (Montevideo, 1948), recounts the history of the period, and discusses the ultimate sociological effects of what became an acculturative experience for the country.

¹¹ Alberto Zum Felde, *Evolución histórica del Uruguay*, (Montevideo, Editorial Máximo García, 3rd printing, 1945), 78-93; Street, *op. cit.*, 341. 1 *Obras Históricas*, 974-979.

On May 7, 1825, Lavalleja said siege to Montevideo with 600 men. On June 14, when he had 2,500 men in his forces, he established a provisional government at Florida, a town some 65 miles north of Montevideo. On August 20, a National Assembly met and declared him governor of the Banda Oriental. On August 25, this Assembly declared the area independent of Brazil, and requested confederation with the Argentine provinces. On October 24, the Argentine congress accepted the request. Bollo, *op. cit.*, 536-545. See Matias Alonso Criado, *Colección legislativa de la República Oriental del Uruguay*, Vol. I, (Montevideo, 1876), 1-4, for acts of the Assembly. This work is cited hereinafter as *Col. Leg.*

¹² Juan E. Pivel Devoto and Alcira Ranieri de Pivel Devoto, *Historia de la República Oriental del Uruguay (1830-1930)* (Montevideo, Editorial Medina, 1945), 8. The authors comment, "... the independence that lately and imperfectly came to be recognized [occurred] not because of the spontaneous will of those who signed [the treaty], but because of the insistent demands of the Uruguayan people and the influence of the English mediator who defended their rights, coincident in this case with British interests." This book is cited hereinafter as *Historia*.

Also, see 1 *Obras Históricas*, 979-1004; and Street, *op. cit.*, 364-365.

¹³ 1 *Obras Históricas*, 1005-1006; Street, *op. cit.*, 355.

¹⁴ 1 *Obras Históricas*, 1003-1004; Zum Felde, *op. cit.*, 104-109; Bollo, *op. cit.*, 609-616.

¹⁵ Street, *op. cit.*, 367. Juan E. Pivel Devoto, *Historia de los partidos y de las ideas políticas en el Uruguay*: vol. II, *La definición de los bandos, 1829-1838* (Montevideo, Editorial Río de la Plata, 2nd printing, 1956), discusses the development of the two traditional parties of Uruguay from the personal followers of the principal leaders of the period.

¹⁶ W. H. Hudson, *The Purple Land* (New York, The Modern Library, Random House, 1926), discusses the appearance and conditions of the country in a novel praised for its fidelity to the atmosphere of the period. Juan E. Pivel Devoto, *Historia de los partidos políticos en el Uruguay: vol. II, 1865-1897* (Montevideo, Editorial Claudio García y Cia., 1943), 383-391, discusses the background of the assassination of Idiarte Borda; this book is cited hereinafter as *Historia, 1865-1897*. See also Pablo Blanco Acevedo, *Estudios Constitucionales* (Montevideo, 1939), 43-45. This book is cited hereinafter as *Estudios*.

¹⁷ *Historia*, 93 ff. *Estudios*, 49-61. José G. Antuña, *La junta de gobierno el partido colorado* (Montevideo, 1913), 20.

Herrera was well-known for his willingness to accept support from almost any source in his search for power. For example, he accepted money payments from Hitler's agents in Montevideo during the second world war, in connection with German postwar plans for Uruguay. In the election of 1950, Herrera's campaign materials in part were published in Argentina, and were donations by the Peronista government. Many Uruguayans regarded a vote for Herrera as a vote for Perón at this time.

¹⁸ For a general discussion of the period, see 5 *Obras Históricas*, 489-608; and 6 *Ibid.*, 7-535.

¹⁹ Street, *op. cit.*, 158.

²⁰ *Ibid.*, 147-148. At the Quinta de la Paraguaya meeting, it was decided that the military strategy of the Oriental and Porteño forces should be joined against the Spanish. Artigas was assigned the duty of evacuating his forces, and all of their dependents, from the colony. The initial goal was the Argentine province of Misiones. When the party reached the eastern shore of the Uruguay river, at Ayuí, near the present city of Paysandú, the direction of march was reversed, however, and the party settled in what is today Uruguayan territory.

The size of the party has been debated. Bollo, *op. cit.*, 225-231, states it was 16,000 to 18,000 persons. Probably a more authentic source is Uruguay, Museo Histórico Nacional, *Exodo del pueblo oriental* (Montevideo, 1927), which furnished facsimiles of Artigas' personal records, in his own handwriting, of the trip. The number is here set at 4,031 persons plus an undertermined number of slaves and a group of persons who travelled behind the main body in 100 horse-drawn carts. Probably the number therefore did not exceed 5,000 persons.

²¹ Street, *op. cit.*, 176-177, presents quotations from the speech.

²² *Ibid.*, 179-180. This writer considers this judgment overly-cautious. Miranda, *op. cit.*, 313-342, rejects the possibility that the Instructions were the product of others' influence.

²³ Other instructions dealt with problems of purely temporary or regional importance. §8 defined the territory of the Banda Oriental; §9 reminded that some area of the province was still held by Portugal; §10 provided for the existence of a temporary inter-provincial military alliance against Spain; §12 and §13 provided for free maritime traffic through the ports of Maldonado and Colonia; §15 provided for provincial self-government in matters relating to inheritances and fines arising from Spanish royal law.

The backgrounds and ascribed meanings of the twenty provisions are stated in considerable detail in Miranda, *op. cit.*

²⁴ Bollo, *op. cit.*, 257-264.

²⁵ *Ibid.*, 265-269. See also Emilio Ravignani, *Un proyecto de construcción relativo a la autonomía de la provincia oriental del Uruguay, 1813-1815* (Buenos Aires, 1929.)

²⁶ Constitution of 1830, articles 72 and 73. Article 75 provided that reelection could occur after a four year interim period. The most complete and authoritative publication on the constitutions of Uruguay is Uruguay, Secretaria del Senado, *La constitución de 1952* (Montevideo, 1957). This annotated copy of the current document contains all previous constitutional texts, together with annotations referring to statutes, court decisions, and a comprehensive subject-matter index. It was compiled by Dr. Manuel M. de la Bandera, chief, Advisory Office of the Senate, with the aid of Pedro Pablo Andradá Carrato. This work is hereinafter cited as *Bandera*.

²⁷ Articles 79 and 80.

²⁸ Article 81.

²⁹ Articles 22 and 28 fixed the dates of elections. Article 82 dealt with the suspension of elections.

³⁰ *Estudios*, 37, quotes Ellauri, ". . . The draft grants to the Executive Power such strength as it needs to enforce the laws; maintain order and domestic public peace, [and] preserve the State from foreign attacks; . . . but at the same time with all the restrictions necessary to guarantee to the citizens that it will not abuse the Power entrusted in it." Ellauri's speech is published in full in *Bandera*, 680-683.

³¹ Articles 79 and 82.

³² Article 81. Articles 64 and 70 provide for overriding the Presidential veto by a two-thirds vote taken in joint legislative session.

³³ Article 40 provided that the Assembly would meet annually from February 15 to June 15.

³⁴ Article 82.

³⁵ Roberto M. Giudice and Efraín González Conzi, *Batlle y el Baillismo* (Montevideo, 1st edition, 1928), 690, presents the following facts for the presidential administrations to 1911. There were 26 governments in all, ignoring those instances in which the vice-president governed for a few days. Nine presidents were removed before the ends of their terms; two were killed, and one seriously hurt. 12 fought against one or more revolutions. Only three finished their terms without serious trouble. To these figures may be added the fact that there were *coups d'état* in 1933 and 1942, and an attempted revolution in 1938. José Monegal, *Esquema de la historia del partido nacional, defensor de las leyes* (Montevideo, Editorial Cisplatina, 1959), 221-222, gives a chronological listing of all governments since 1828.

³⁶ Antuña, *op. cit.*, 20, maintains that the Uruguayan role in the Guerra Grande can be interpreted largely in terms of personal conflict between Generals Fructuoso Rivera and Manuel Oribe. The statement seems to be appropriate for the first 22 years of the country's existence. See also *História*, 196-198.

³⁷ The Suffrage was limited, in practice, to those with comparatively large amounts of property. Article 8 permitted all citizens to vote; article 11 defined citizenship in restrictive terms. Elections were not considered to be fair or honest, and violence at the polls was common.

The custom grew that candidates for the Assembly were committed to specific would-be presidents. Electioneering was based on this understanding. The prohibition on immediate reelection prevented the establishment of serious views on the responsibilities of incumbents, however. Uruguay, 475 *Diario de la Cámara de Representantes*, (August 20, 1948), 320-321: remarks of Dr. Javier Barrios Amorín.

³⁸ Article 88.

³⁹ Justino Jiménez de Aréchaga, 4 *La constitución nacional*, (Montevideo, Editorial Medina, 1947), 211-212. This work is cited hereinafter as *Con. Nac.*

⁴⁰ In 1854 is found the only instance in which impeachment charges were made in the Chamber of Representatives, and actually presented to and voted upon by the Senate. This occurred in the case of Manuel Acosta y Lara, a former Finance Minister who demanded it in order to put an end to newspaper charges that he had been guilty of irregularities while in office. The Senate voted acquittal on July 6, 1855. Mario Llana Barrios, *El juicio político* (Montevideo, 1942), 64-66.

⁴¹ Prior to the first meetings of the newly-elected Assembly, the constitutional convention had created a special accounts commission to examine and approve the financial reports of the President. This initial step was strengthened by several laws designed to make legislative control of the executive function more certain; law 29, 5 May 1832, obliged the President to present to the Assembly, together with the budget proposals, a statement of expected sources of income for the coming fiscal year, including estimates of income to be derived from them, for the Assembly's uses in calculating tax rates. Law 65, 28 April 1834, provided for accounts commissions in each chamber of the Assembly with extensive investigative powers. Law 153, 15 June 1837, provided that the budget had to be in the hands of the Assembly within 15 days after it convened.

After the accounts commission of the Representatives recommended rejection of the President's budget proposals in 1834, apathy in the Assembly increased steadily, with a few brief reversals of the trend, until during the depression period of 1929-1933

the President stopped rendering accounts of any kind to the Assembly. Aurelio Pastori, *El control de la ejecución del presupuesto en el Uruguay* (Montevideo, 1948), 73, 83-84.

⁴² Blanco Acevedo, *Estudios*, 131.

⁴³ *Ibid.*, 131-132.

⁴⁴ *Ibid.*, 30-40, 135-136.

⁴⁵ Efforts were made to force the resignation of several ministers. Two attempts were made to keep Rivera, the head of the government, out of Montevideo, and in 1846 a short-lived government was established during his absence. *História*, 129-130, 136-137; also, *Estudios*, 40-41.

⁴⁶ In 1834, Dr. Lucas J. Obes resigned as minister after repeated attacks by the permanent commission of the Assembly. In 1844, José de Bejar did the same, because of action by the Chamber of Representatives. In both instances, they had lost the President's confidence, however. *Estudios*, 188.

⁴⁷ *Ibid.*, 189-194. 197-204.

⁴⁸ 4 *Con. Nac.*, 5-6.

⁴⁹ The elder Jiménez was the grandfather of the present Jiménez. His arguments are summarized in his *Cuestiones de legislación política y constitucional* (Montevideo, 1899). At 213-231, in the chapter titled "El derecho de interpelación", he states that since no such right was ever stated in writing in the constitution it does not exist. Unlike private individuals who can do anything not prohibited, governments cannot do anything not specifically authorized. He pointed out the difficulties that had resulted from persistent efforts to develop the right of interpellation. He concluded, "How happy would all the Republics of the world be if their president would only try to imitate the successors of Washington!". The self-restraint of the Presidents of the United States largely had been responsible for the good relations between the President and the Congress, he held.

⁵⁰ *Estudios*, 116-123.

⁵¹ Justino Zavala Muniz, *Batlle, héroe civil* (Mexico, Fondo de Cultura Económica, 1945), 34-35, ff, discusses the government of Santos and his successor, and states the case for the subsequent events. A useful brief historical study of political party development is Dr. Oscar H. Bruscher's "Estructura de los partidos políticos en el Uruguay", 19 *Revista del centro de estudiantes de derecho* (Sept. 1958), pp 873-884.

⁵² Idiarte Borda was assassinated on August 25, 1897, and his Assembly removed by a *coup* on February 10, 1898. *Estudios*, 25, 43-45. The Assembly had been elected in a controlled election which took place while many voters were on the battlefield of a civil war, or in temporary exile outside the country. The *coup* was supported by great popular demonstrations in which all parties and economic groups participated. *Estudios, loc. cit.*, describes the result as a real revolution in the manner of the European 1848 revolutions. Dr. Jacobo Varela Acevedo, former Foreign Minister and Ambassador to the United States, emphasized the non-political nature of the movement. Interview, January 4, 1950.

⁵³ Zavala Muniz, *op. cit.*, 133-151.

⁵⁴ Oribe and the Argentine forces of Juan Manuel Rosas fought Rivera, backed by the Brazilians, in the war. As the end of the war approached, Justo José Urquiza brought together all anti-Rosas forces in Argentina. Brazil supported this alliance, and Oribe was forced to make his peace with Rivera or be wiped out. He did so, and a triple alliance defeated Rosas in February, 1852. *História*, 191-199. Also, 3 *Obras Históricas*, 351-356.

⁵⁵ 4 *Obras Históricas*, 647-649. Pivel Devoto, *História, 1865-1897*, 46-55, 106. Juan Andrés Ramírez, *Síntesis de la evolución institucional* (Montevideo, 1949), 106-107.

⁵⁶ Appendix, *infra*, contains a population table.

⁵⁷ The rebellious Blancos won a military victory, and forced a settlement on September 20, 1897, a condition of which was minority representation in the national and local governments. Section 2 of the settlement states, in part, "this clause regarding the institutional guarantee for the future... is the fundamental and essential basis of this negotiation, and the Executive Power contracts to present this reform to the present extraordinary session [of the Assembly] and to urge its approval." The

agreement later was implemented by amendments to the elections laws. For the text of the agreement see 20 *Col. Leg.*, 272-277. For a full historical discussion of the period see, 6 *Obras Históricas*, 12-27, 115-119. Acevedo notes that the settlement was popularly received, although it was a bitter pill for the government. Idiarte Borda had been assassinated after the government's initial refusal to negotiate.

⁵⁸ The blame for precipitating the war of 1903-1904 cannot be assigned definitively on the basis of available evidence, but it is safe to assume the inherent instability of the domestic situation would have brought it about inevitably. The period 1897-1903 was at best only an armed truce. *História*, 538-542. Zavala Muniz, *op. cit.*, 166-171. 6 *Obras Históricas*, 259-279. It is useful to note that there is still much polemic writing done on this event. See for example Monegal, *op. cit.*, 137-164.

⁵⁹ Laws changing the electoral system, pursuant to the settlement of 1897, are contained in 21 *Col. Leg.*, 96-114, 328-345.

The settlements of 1851, 1872, and 1897 also included cash settlements to be paid to the Blanco partisans on their disbandment, and guaranteed no legal reprisals.

⁶⁰ *Op. cit.*, 224-225. In the negotiations of 1897, the Blancos had bid for control of eight Departments, and were forced to settle for six. The eight were Lavalleja (known at that time as Minas), Florida, Cerro Largo, San José, Rocha, Treinta y Tres, Artigas, and Flores. These Departments contained the largest percentage of cattle ranches (*latifundios*) owned by native Uruguayans, expressed in acreages.

⁶¹ *História*, 1865-1897, 209-219. During this period, numerous proposals for electoral reform were discussed in Europe, and books dealing with the subject were widely circulated in Uruguay. At the same time, Argentine laws expanding the suffrage set precedents for Uruguay.

⁶² *Ibid.*, 222-224. Pivel states, in synthesis, the details of the elections code draft prepared by Jiménez.

⁶³ *Ibid.*, 350-361.

⁶⁴ Ramírez, *op. cit.*, 109-112. 21 *Col. Leg.*, 328-345.

⁶⁵ 1924 *Registro Nacional de Leyes y Decretos de la República Oriental del Uruguay* (Montevideo, 1925), 81-122. These volumes are hereinafter cited as *Registro*. 1925 *Registro*, 27-59.

⁶⁶ Articles 152-159 of the 1830 constitution prescribed the amendment procedure. Three successive Assemblies (the "Assembly" period is four years) had to act favorably on a draft amendment before it could be effective; the time therefore would be in excess of five years. The 1912 amendments revised the amending procedure; they are contained in *Bandera*, 708.

⁶⁷ *História*, 540-542. Zavala Muniz, *op. cit.*, 166-171.

⁶⁸ In 1950 and again in 1960, the present writer found it exceedingly difficult to find many persons who could make an entirely dispassionate evaluation of Batlle.

⁶⁹ See particularly Francisco Simon, *El ABC de Colegialismo* (Montevideo, no date), and Simon, *El ejecutivo colegiado* (Montevideo, 1915). Both were political tracts supporting the Executive Council proposal. The specific argument cited and following quotation are from Antuña, *op. cit.*, 7, and 30-34.

⁷⁰ A succinct statement of Batlle's social proposals is found in Simon G. Hanson, *Utopia in Uruguay. Chapters in the Economic History of Uruguay* (New York, Oxford University Press, 1938), 19-25. A more extensive and detailed statement is found in Giudice, *op. cit.*, the entire Part III of which deals extensively with Batlle's programs and his means of obtaining them.

⁷¹ *El Día*, Batlle's own newspaper in Montevideo, carried the opening declaration of his effort for constitutional reform in its issue of March 4, 1913. The original proposal called for two of the nine council members to be elected for six year terms by the Assembly. At the same time, and annually thereafter, one member would be elected popularly for a seven-year term. In the first year, only, seven persons would be elected popularly.

⁷² Antuña, *op. cit.*, 33.

⁷³ Russell H. Fitzgibbon, *Uruguay, Portrait of a Democracy* (New Brunswick, N. J., Rutgers University Press, 1954), 122. This work is cited hereinafter as *Portrait*.

⁷⁴ The Popularly-elected President of the Republic served a four year term. He controlled foreign affairs, the armed services, and the police. There was a National Council of Administration of nine members, elected by thirds each two years. The Council controlled other governmental functions, including the budget. *Constitution of 1918*, articles 70-104. The debates in the constitutional convention of 1917 concerning the executive branch are in Uruguay, *Diario de sesiones de la Honorable Convención Nacional Constituyente de la República Oriental del Uruguay* (Montevideo, 1917), vol. III, 165-163ff.

The unique arrangement of the executive branch was the result of Batlle's inability to control the convention. A conservative wing of the Colorado party, the *riveristas*, who opposed his plans for the council, formed a coalition in the convention with the Blancos who supported Herrera's opposition to the council. This coalition produced a working majority. Batlle was able to obtain the compromise plan only by threatening to run for the presidency again 1915. Although he could not control the convention, it was generally agreed that he could have been elected. For discussion of this period, see Ramírez, *op. cit.*, 90-92. Zavala Muniz, *op. cit.*, 215-219. Guidice, *op. cit.*, 493-494.

Numerous other changes in the 1830 constitution had been proposed by other persons. See, Uruguay, Cámara de Representantes, *Reforma de la constitución, Enmiendas propuestas por los señores Representantes. Resolución de la Cámara, y Proyecto de la Comisión de Reforma Constitucional en mayoría*, (Montevideo, Imprensa "El Siglo Ilustrado", 1909).

The case for the argument that Batlle's inspiration for the Council plan was found in Switzerland is presented by Russell H. Fitzgibbon's "Adoption of a Collegiate Executive in Uruguay", 14 *The Journal of Politics* (November, 1952), 616-642. This work is cited hereinafter as *Adoption*. This writer takes strong exception to this argument. The concept had been virtually endemic in Uruguay, as far back as Buenos Aires independence from Spain in 1810. Its most recent complete enunciation had been by José Espalter, a political leader in Uruguay. See his thesis for the law degree at the University of Montevideo in Uruguay, Senate, *Discursos Parlamentarios*: Vol. VIII (Montevideo, 1942), in which he discusses the Executive Power. Also, see pp. 427-429 of this volume. José Luciano Martínez supports the argument that the inspiration dates from the early period of Argentine independence in his *Gabriel Terra, el hombre, el político, el gobernante*, Vol. II (Montevideo, 1937), 178. The plan had received full discussion in the *Ateneo* of Montevideo, of which Batlle was a member, in 1903. Juan E. Pivel Devoto, *Uruguay Independiente* (Barcelona, Spain, 1949), 622.

⁷⁵ Philip B. Taylor, "The Uruguayan Coup d'état of 1933", 32 *The Hispanic American Historical Review* (August, 1952), 301-320. This work is hereinafter cited as *Coup*.

⁷⁶ In 1931, in order to receive Blanco support of their bill for the establishment of the Administración Nacional de Combustibles, Alcohol, y Portland (ANCAP), the Colorados agreed to divide the memberships in the appointed Boards of Directors of the numerous government autonomous economic enterprises. Seats in these bodies were to be divided proportionately among the parties on the basis of their standings in the last preceding national elections. This was the so-called "*Pacto del Chinchulín*", an opprobrious term coined by Gabriel Terra, the President of the Republic, which can be translated freely as the "pork barrel agreement". The ANCAP law is No. 8,764, 15 October 1931 (1931 *Registro* 573-576). The law dividing the boards was No. 8,765 (*ibid.*, 577-580).

⁷⁷ Constitution of 1934, article 86. The necessity for reform of this unworkable arrangement produced amendment of this provision in the Reform Law of December 30, 1936. *Bandera*, 765.

⁷⁸ *Coup*, 312-316.

⁷⁹ The most complete accounts of the political deals involved in this event are *Adoption*; and Milton I. Vanger, "Uruguay Introduces Government by Committee", 48 *The American Political Science Review* (June, 1954), 500-513.

⁸⁰ Philip B. Taylor, Jr., *The Executive Power in Uruguay* (Berkeley, California, 1951), 18-25. This work is cited hereinafter as *Executive Power*. By way of comparison, see Frank Tannenbaum, *Mexico, the Struggle for Peace and Bread* (New York, Knopf, 1950), 83-91, although the more recent book by Robert E. Scott, *Mexican Government in Transition*, (Urbana, Illinois, University of Illinois Press, 1959), presents a substantially different view of the Mexican presidency.

⁸¹ Hanson, *op. cit.*, 26-121, discusses the various government economic enterprises existing at the time of writing of his book, and pp. 122-183 discuss government social security and labor policy. Substantial changes have occurred in these policies under subsequent governments, however.

CHAPTER II

¹ See his editorial in *Marcha*, April 1, 1960, "27 años despues". Referring to the constant talk by some of the desirability of a *coup*, Quijano observed that people feel, apparently, that the country is secure against a recurrence. He asked if the country really is as secure as it appears, and if the present inhabitants are ready to make the efforts to keep the country free. 27 years is an entire generation, he pointed out, and youth always seem to have to learn for themselves.

² Decrees of March 30, 1933, (1933 *Registro*, 194-197).

³ *Coup*, 302-312. Mr. James Whitelaw, a career teacher of English in the Montevideo public schools, told this writer of the discussion which he had had with Terra concerning the probable layman's view of a coup while the two men were experiencing a steam bath in Montevideo! Interview, October 1949.

⁴ Of the other eight members of the National Council of Administration, six were arrested (Colorados Victoriano Martínez, Tomas Berreta, and Antonio Rubio; and Independent Blancos Ismael Cortinas, Alfredo García Morales, and Gustavo Gallinal), one, Colorado Juan P. Fabini, was ill in bed, and one, riverista Colorado Andrés Puyol, cooperated with Terra and was appointed to the ad hoc *Junta de Gobierno* of nine which Terra established to advise him. Decree Laws of March 31, 1933, (1933 *Registro*, 197-200). See also *Coup*, *op. cit.*, 313, notes 38 and 39.

The one other death directly attributable to the Terra government was that of Julio Grauert, a former member of the General Assembly which was dissolved on March 31st. He had been en route to Maldonado to address a political meeting. He was overtaken by police at Pando, a suburb of Montevideo, and he was shot while resisting their attempt to arrest him. He later died of blood poisoning. References are made to the event in *New York Times*, October 27, 28, and 29; and November 2 and 5, 1933; also, *El País*, March 23, 1942.

⁵ Uruguay, *Mensaje del poder ejecutivo a la asamblea deliberante: la situación financiera para el año 1934* (Montevideo, 1934); also *New York Times*, January 9, 11, and February 17, 1932. The peso had fallen from a par and market value of \$1.035 US to 44.6 cents at the open market; payment of principal on Uruguayan international bonds had been suspended, and 20,000,000 pesos of the gold reserves of the Banco de la República had been used to purchase these bonds in the open market in order to lighten the foreign debt. *El Día*, January 9, 1932. See also Eduardo Acevedo Alvarez, *La economía y las finanzas publicas después del 31 de marzo* (Montevideo, 1937), 11-20, for a summary of the economic position of the country, and measures taken prior to the coup by the constitutional government to achieve recovery.

⁶ Art. 18 (4) of the 1918 constitution: "The General Assembly is competent to approve or reject, increase or diminish the budgets which the Executive Power presents . . ." The role played by the National Council of Administration is discussed in Aristides A. Delle Piane, *Ante la Reforma* (Montevideo, 1933), 6-7. See also 4 *Con. Nac.*, 213-214, regarding the inability of the President of the Republic to act effectively in the face of the Council's opposition.

⁷ In spite of his opposition to the principle of the Council, Herrera won election to it and served for six years, 1925-1931. Terra was also a member of the Council during this term, but just prior to his resignation in order to run for the presidency in 1930 he issued a long and florid statement praising it. A critic of Terra's, Gustavo

Gallinal, condemned this as sheer hypocrisy, both because of his unwillingness to participate in public business and because of his carping criticism of the institution itself. Gallinal, *El Uruguay hacia la dictadura* (Montevideo, 1938), 45-50. Later, Terra was willing to put in print what he had said about the Council even while a member; it was considerably more candid, and confirmed Gallinal's views. See his *La revolución de marzo* (Buenos Aires, 1938), 11, 16, 43.

In the 1930 election, 318,760 votes were cast for the presidency. Terra received 105,625 while Herrera received 132,345. The Colorado party received 165,827 among all of its *sublemas*, however, and by the accumulation of votes procedure, Terra was declared elected. Uruguay Corte Electoral, *Elecciones uruguayas*, Vol. I (Montevideo, 1948), 189-194. This work is hereinafter cited as *Elecciones*. See also, voting statistics in the Appendix. Terra was the candidate of the "*Agrupación Colorada Anticolegialista*", the flatly anti-Council group of the party.

⁸ *Supra*, 26, note 76.

⁹ Prior to his term as National Councillor, Terra served in the Chamber of Representatives beginning in 1905. He had stated repeatedly his ambition of becoming President, but his highest post prior to his entry into the Council had been as Minister of Interior, 1919-1923, under President Báltasar Brum. Gallinal, *op. cit.*, 42-43. Also, Aquiles Espalter, *Algunos aspectos de la organización del poder ejecutivo en la constitución de 1934, y el regimen del ministerio de las mayorías*, (Montevideo, 1937), 12-13.

¹⁰ Gallinal, *op. cit.*, 73-85. Jiménez de Aréchaga, *La constitución de 1952*, Vol. I (Montevideo, Organización Medina, 1952 [?]), 38-39, outlines Terra's views on constitutional reform, in much more sympathetic language than Gallinal. This work hereinafter cited as *Con. 52*.

¹¹ Terra received the support of Pedro Manini Ríos, who had been one of the losing Colorado candidates for the presidency in 1930, and of Herrera. Manini was the leader of the riverista wing of the Colorados, which had allied itself with Herrera in the constitutional convention of 1917 to force José Batlle to accept a compromise plan. Terra, *op. cit.*, 43-52. See also, *Coup*, 308, note 20.

¹² The principal suggestion by opposition groups was that the Council executive be reduced to seven members, each member performing ministerial functions. *La Nación* (Buenos Aires), February 23, 1933.

¹³ In a message to the General Assembly on March 15, 1933, Terra reported that during the previous month the government had been informed of plans by groups believed close to Herrera to overthrow the government and the constitution. Terra, *op. cit.*, 31-32. *La Nación* reported on March 31, 1933, that Herrera was in Rio de Janeiro. Confidential personal interviews in 1950 with a leader of the herrerista party indicated otherwise. The fact of the troops in the Brazilian state of Rio Grande do Sul was openly acknowledged, however. *La Nación*, February 26 and March 4, 1933.

¹⁴ Gallinal, *op. cit.*, 160-172. *La Nación*, March 27, 28, 30, 31, 1933.

¹⁵ Terra's opponents argued this was simply another indication of his closeness to Herrera, who was an open admirer of Mussolini. Gallinal, *op. cit.*, 171. *La Nación*, February 22 and 24; March 13, 15, 20, 27, 28, and 29, 1933.

¹⁶ The signers were Baltasar Brum, former President of the Republic, Tomas Berreta (elected President in 1947), Antonio Rubio, and Juan P. Fabini. Victoriano Martínez did not sign the statement.

¹⁷ 1933 *Registro*, 194.

¹⁸ *La Nación*, April 3, 1933.

¹⁹ 1933 *Registro*, 194.

²⁰ Uruguay, 20 *Diario de sesiones de la Asamblea General*. The legislators anticipated that the newspapers would not be permitted to publish reports of the meeting, and voted to publish a stenographic report in pamphlet form for nationwide distribution. The expectation was justified. The newspapers of the next day appeared with large blank spaces in the places where political news generally was carried. Over a year passed before the record of the debate, here cited, was published by the government.

It is useful to note that the three months preceding the coup had included five Ministerial interpellations and two resignations under parliamentary pressure.

The impeachment of Terra was proposed although the Senate never met to consider it.

²¹ The announced reason for Herrera's absence was that he was in Rio de Janeiro accompanying his wife, who was undergoing medical treatment.

²² Of the 99 seats in the new Assembly, 20 were assigned to Batllistas cooperating with Terra, 32 to other cooperating Colorado factions, and 49 to Blancos.

²³ Terra attempted to use the Electoral Court, the elections-supervising body, which had been in office prior to the coup, to give an aura of impartiality to the June 25th election. The Court's members refused to be parties to his plans, and Terra decreed the Court's dissolution. The Deliberative Assembly elected a new one on May 10th. Terra also attempted to get nonparticipating parties to supply poll-watchers; they refused to do so officially, but after the election results were reported they were forced to admit that the procedures followed had been honest so far as the actual election and vote count were concerned. The effect of the entire proceeding was partially nullified by Terra's statement on June 5th that he had discovered a plot to overthrow him, however. Decree Law 8978, (1933 *Registro*, 266), dissolved the old Court on April 22nd. Law 9034, (1933 *Registro*, 381), established the new one. Law 9038, (1933 *Registro*, 406-410), established the rules for the new election and issued the invitation to the nonparticipating parties. Also, see *El Día*, June 17, 19, 20, and 21, 1933; *La Nación*, June 6, 1933.

The scepticism of the opposition parties is justified by Ismael Cortinas, a member of the Council which was dissolved by the coup, in his *Fuerza y Derecho*, (Montevideo, 1934), 6-7. The opponents of Herrera and Terra had been the objects of two years of unrelenting vilification, he claims.

²⁴ *Bandera*, 764, contains the relevant documents; the text of the new constitution is contained at p. 729-764. The popular vote on the acceptance of the new document was 222,145 for, 10,124 against. 1 *Elecciones*, 327-332.

²⁵ Terra enjoyed throughout his career the reputation of being precipitate and emotional in his reactions to unexpected or difficult situations. On July 13, 1932, for example, he arbitrarily broke relations with Argentina on a relatively minor issue. Uruguay, Ministerio de Relaciones Exteriores, *Antecedentes de la ruptura de relaciones diplomáticas y su reanudación entre la República Oriental del Uruguay y la República Argentina* (Montevideo, 1932). See also 1 *Con. Nac.*, 73. Francisco R. Pintos, a member of the executive committee of the Communist party, wrote in his *Baile y el proceso histórico del Uruguay* (Montevideo, 1938 [?]) 146-148, of a police action by Terra's police force in February, 1932, in which over 400 students and workers were arrested, held without charge, and tortured, because the Communist newspaper, *Justicia* had criticized him. Although the arrests continued, the ascribed cause is open to some doubt.

The coup was staged with the support of the army. Cortinas, *op. cit.*, 11-13, attacks Herrera, his former leader, as a turncoat and scarcely better than Terra. Only a short time before, Herrera had spoken disparagingly of the army as a soulless machine at the service of he who would use it. How unusual that he should suddenly cooperate with he who had used it as a tool. Was the coup a Jordan that purified Terra and the army as well?

²⁶ *Bandera*, 765-769, contains the text of the new agreements. The Terra coup has been defended by many authors other than those cited. See especially José G. Antuña, *Un reclamo vital: el golpe de estado del 31 de Marzo de 1933* (Montevideo, 1933), which is little less than sheer hero worship; José Claudio Williman, *El 31 de Marzo de 1933* (Montevideo, 1933); and Gabriel Terra et al, *El 31 de Marzo: mensaje explicativo de los acontecimientos revolucionarios* (Montevideo, 1933).

²⁷ Articles 7-71. Some of these provisions were carried over from the 1830 constitution without change. Many were the results of current European thinking. 1 *Con.* 52, 39-41.

²⁸ Articles 146-180.

²⁹ Articles 73-136.

³⁰ Article 171.

³¹ Articles 137-145.

³² The Council of Ministers was not considered legally to exist without the physical presence of the President of the Republic, or of the Vice-President in his absence. 6 *Con. Nac.*, 105-110.

³³ Article 163 (1). Article 153 provided that the General Assembly elected at the same time as the successful candidates for President and Vice-President would be the judges of the latter's qualifications.

³⁴ Article 163 (3): "If any of the parties of the two most-voted *lemas* refuse their cooperation in the formation of the Cabinet, the portfolios belonging to them may be filled without their participation." Article 164: "When in the appointment of the first Council of Ministers of each governmental period, the sum of the votes of the Legislators belonging to the two most-voted *lemas* in the election of the President of the Republic does not reach an absolute majority of the total membership of the General Assembly, the President of the Republic may ignore, in the assignment of ministerial portfolios, the rule of proportionality established in the previous article, although he is obligated in this case to distribute them among candidates who may assure their permanency in their posts by possessing majority parliamentary backing."

³⁵ Articles 178 and 179.

³⁶ Articles 85 and 86.

Under the Uruguayan electoral system, which provides for the presentation by political groups of lists of candidates for all available elective offices, the voters are unable to split their votes among two or more lists. Since it is very easy for a group of voters to organize a list to suit themselves, even though they remain within the purview of the parent party, a single party may find itself presenting a good many lists on election day. Distinct tendencies or permanent splinters may develop within the parent parties, as well, and the individual lists will normally be clustered within these splinters, therefore.

The election laws give the name *lema* (literally, motto) to the parties, and *sublema* to the more-or-less permanent splinters. The construction of the election law provides that the most-voted list of the most-voted *sublema* of the most-voted *lema* shall have superior standing over all others, since all votes cast for lists and for *sublemas* within a *lema* are accumulated to the benefit of the leading list. The result is that such a winning list will undoubtedly have only a plurality of votes cast *in toto*, and may frequently have received fewer votes than list in the second most-voted *lema*.

The voters casts what is described legally as a "double simultaneous vote"; He votes in what is, in United States practice, both a primary and a general election at the same time. The first constitutional appearance of the term was in article 82 of the 1918 constitution. Its application was first spelled out legally in articles 5 and 6 of the Elections Law of July 11, 1910. *Julio T. Fabregat, Los partidos políticos en la legislación uruguaya* (Montevideo, Organización Taquigráfica Medina, 1949), 37-38.

³⁷ In the election the Colorados received 125,931 votes, the Blancos 91,535 votes. The Communists, the third participating party, received only 3,637 votes. The riverista *sublema* of Dr. Pedro Manini Ríos, which had supported the coup, received two of the 13 Colorado Senate seats, while Herrera was able to control all 15 Blanco seats. Terra, therefore was not in as strong a position as Herrera in the pivotal chamber. 1 *Elecciones*, 333.

³⁸ Article 85 (2).

³⁹ Article 78. Proportional Representation (PR) had been established for election of members of the Chamber of Representatives by the Complementary Elections Law of October 22, 1925 (1925 *Registro*, 471-477).

⁴⁰ The substantive effect of this control was to assure the two parties control of all executive appointments. Thus, see article 183, concerning appointments of members of the Boards of Directors of government economic enterprises; article 75 (18), concerning appointments of Supreme Court justices, members of the Accounts Tribunal, etc.

⁴¹ Articles 137-140.

⁴² See 1 *Con.* 52, 46, for a brief statement on this question. Llana Barrios, *op. cit.*, is probably the authoritative statement on the theory and practice of impeachment in Uruguay. Confusion is created, however, by the fact that in addition to this procedure which is alleged to constitute political censure, there is also a different procedure in the constitution which is regarded as impeachment. It is described in article 93 (Senate may impeach); 84 (Deputies may convict, for stated reasons, with a listing provided of officers liable to this procedure).

⁴³ Article 141: if the censure vote is less than an absolute two-thirds of the General Assembly the President of the Republic may veto it ("observe" is the term used), and require reconsideration. If the two-thirds figure cannot be reached, the President may dissolve the two Chambers and call for new elections within 60 days from the date of the dissolution decree. If the censure was voted against several but not all of the Ministers, the President may dissolve the Assembly only once during his term. The dissolution and convocation of elections decrees must be announced simultaneously.

Presumably, the President was considered free to dissolve the Assembly an unlimited number of times in case the entire Cabinet was censured.

Article 142 provided that the dissolution decree would be nullified and the Cabinet would fall if the new elections were not convoked at the same time. The new Assembly elected after the dissolution of the first would serve out the original term of office (article 144); no dissolutions could be decreed during the last six months of the term of office, nor could any censure be considered effective during this period unless voted by an absolute two-thirds of the Assembly (article 145).

⁴⁴ Article 143.

⁴⁵ The theme of this analysis is stated in *Executive Power*, 15-16, and 81-82 (at notes 13 and 14).

⁴⁶ Aquiles Espalter, *op. cit.*, 75-77; Terra, *op. cit.*, 79-80.

⁴⁷ Cortinas, *op. cit.*, 6-7.

⁴⁸ See the amendments at Bandera, 765-768. The amendments were accepted by a vote of 333,802 to 23,385. All opposition votes came from the Socialist party and from a splinter Colorado party. 1 *Elecciones*, 385-391.

⁴⁹ Special article 3 (A) of the amendments. An added proviso was inserted, that the less-voted of the two coalition lists could not receive fewer than one-half as many votes as the more-voted of the two lists.

⁵⁰ Special article 3 (B), par. 1.

⁵¹ 1 *Elecciones*, 392-393.

⁵² 5 *Elecciones*, IV-V.

⁵³ Terra, *op. cit.*, 5, 61-65. Ultimately, Terra claimed that he had received the cooperation or support of every living ex-President and every major party candidate who had run against him for the presidency in 1930, and that he had received over 100,000 written messages from citizens of all walks of life testifying to his success in preventing bloodshed. Herrera of course was as much involved in the coup as was Terra; the riverista candidate, Manini Ríos, entered Terra's cabinet. Federico Fleury, another Colorado candidate, declined an offered cabinet post, but agreed to a supporting statement after a personal interview. José Serrato, the senior living ex-President, (1923-1927), accepted the position of President of the Board of Directors of the Banco de la República, though without great enthusiasm. He wrote that he regarded it his contribution to the stability of the country. He continued, "Nevertheless, my acceptance of the position does not mean my adherence to the regime . . . created as a consequence of the well-known political events . . ." Serrato later resigned over Terra's protest. Juan Carlos Welker, *José Serrato, un ejemplo* (Montevideo, 1944), 273, 274. See also, Ariosto D. González, *José Serrato, técnico del estado* (Montevideo, 1942), 176-178.

Juan Campisteguy, President from 1927 to 1931, took no public position on the Terra government.

⁵⁴ *Las tres constituciones de la República Oriental del Uruguay, 1830-1917-1934* (Montevideo, 1941), 19.

⁵⁵ Blanco Acevedo, *Estudios*, 74.

⁵⁶ 4 *Con. Nac.*, 216-217.

⁵⁷ Police raids on Herrera's offices during the war turned up documents supporting these statements. Confidential interviews, 1949 and 1950, with participants in these raids were convincing to this writer. Uruguay experienced some sense of the war when the German battleship Graf Spee, pursued by a British cruiser force, took refuge for three days in Montevideo harbor, late in 1939. At that time, Uruguay made its choice for the allied side, and ordered the ship to leave; it was scuttled by its own crew in the river 4 miles outside the harbor. The Baldomir government de-

creed severe restrictions on political and economic activity, in an effort to maintain the appearance of neutrality (Uruguay did not actually declare war until 1945), but 1 *Con. 52*, 55 comments that enforcement appeared directed more against pro-allied partisans than against the other side. The relative uncertainty about Baldomir was supported by the statement in 1960 to this writer by a United States Embassy official that in 1942, at the time of the coup of February, this officer went immediately to the location where Baldomir had established his headquarters in an effort to assure that no pro-Axis decisions would be made. The officer stated that Baldomir had not intended making any, however.

It is useful to note that one of Luis Battle Berres' principal wartime activities was the conducting of daily pro-allied radio programs in Montevideo, with the aid of Mr. James Whitelaw, cited *supra*, 46, note 3.

⁵⁸ A complete record of the meetings of 1940 and 1941, as well as a resume of the discussions of the Council of State of 1942 which actually framed the constitution after the coup, is included in Uruguay, Secretaría de la Asamblea General, *La reforma constitucional de 1942, proceso de la Reforma* (Montevideo, 1946). See 1 *Con. 52*, 54-58, for a brief statement and analysis of the period. This work is cited hereinafter as *Reforma 1942*.

⁵⁹ Baldomir's newspaper, *El Tiempo*, attacked his opponents constantly. Prior to the 1942 coup, the Senate, which had an herrerista President, voted a vigorous condemnation of government policy and of *El Tiempo*. See *Debate*, February 21, 1942. Characteristic of *El Tiempo's* treatment of the situation was its issue of February 9th. In six-inch letters at the top of the first page it was proclaimed "Careful!", followed by smaller type, "We repeat, that with the present Court there will be no elections."

The Electoral Court was provided for by articles 278-281 of the constitution. See Philip B. Taylor, Jr., "The Electoral System in Uruguay", 17 *The Journal of Politics*, (February, 1955), 19-42, for a discussion of the electoral system. This work is hereinafter cited as *System*.

The Court was intervened by Baldomir on February 24th. The Interventor appointed by Baldomir was Dr. José Ramasso, a former member of the Court. Decree-law 10,126, (1942 *Registro*, 189). The Court was reorganized by a second decree-law, 10,129, (1942 *Registro*, 253-255); Ramasso remained as a member.

⁶⁰ Article 163 of the 1934 constitution had provided for the presence of minority Ministers in the cabinet. This is generally attributed to Drs. Alberto Demicheli and Francisco Ghigliani, the former Terra's Interior Minister at the time of the 1933 coup, and the latter a former Interior Minister under Terra. Both men were physicians turned politicians. Ghigliani was in attendance on Baltasar Brum, the former President who committed suicide on the day of the coup. It was his testimony which was used to establish Brum's mental unbalance after the shooting. 6 *Con. Nac.*, 23.

Prior to the ouster of the three herrerista Ministers, Demicheli contributed to the confusion existing at that time by arguing that the President was obligated to retain them in his cabinet only so long as they cooperated. There is no prior evidence to support this view, however. *Reforma 1942*, 234. Also, 1 *Con. 52*, 46.

⁶¹ *Marcha*, February 27, 1942, stated (p. 5), "Although it might scandalize the near-sighted, we say that the opposition has much responsibility in what has happened. This *coup d'état* was born in its lack of faith . . . in the popular possibility [sic] during the elections . . ." At p. 8 it continued, "We are at the second stage of the turbulent history which began with the 31st of March . . . The drama . . . has proved that sovereignty still resides in the police . . ." *Marcha* is an independent journal of opinion, noted throughout the hemisphere for the pungency of its opinions and perception of its judgments.

⁶² Law 9831 of May 23, 1939 (1939 *Registro*, 434-436), articles 7 and 9, had placed all national candidates on a single ballot. This would have prevented ballot splitting by voters, and would have assured partial nullification of the principle of PR in assignment of seats in the Chamber of Representatives.

⁶³ *Reforma 1942*, 358. This document, p. 313-362, contains a stenographic record of the debates of the Council of State.

⁶⁴ 1 *Elecciones*, 434-437. Three Blanco lists of candidates received 131,235 votes; Herrera received 129,132 of these. The correlation of anti-constitution votes with the Blanco party is made by Fabregat.

⁶⁵ The unsuccessful revolt of January 28, 1935 is discussed in *Executive Power*, 28-29. The leader was an old-time Blanco caudillo, Basilio Muñoz. It was reported that he had the support of the same group with which Herrera had plotted in 1933 to overthrow the constitutional government. The newspapers of the parties supporting the regime were allowed to publish during the period January 29 to February 7, but opposition newspapers were not.

The other unsuccessful attempt was personal. He was wounded in the leg by a gunshot in an assassination attempt at Maroñas racetrack, in Montevideo, on June 2, 1935. Brazilian Dictator-President Getulio Vargas was visiting at the time. *El Pueblo*, June 3, 1935. Terra was not hurt seriously, and attended a ceremonial dinner that evening.

⁶⁶ Russell H. Fitzgibbon and others (eds.), *The Constitutions of the Americas (as of January 1, 1948)*, (Chicago, Univ. of Chicago Press, 1948), 713-714. The text of the constitution in English translation is at 715-761. See Fitzgibbon's *Adoption*, 633, for his criteria for this judgment.

⁶⁷ Articles 145-177; articles 161 and 162 especially refer to the appointment of Ministers.

⁶⁸ Articles 73-135; articles 85-87 refer to the use of PR for the Senate.

⁶⁹ Articles 136-144.

⁷⁰ Articles 145, 157, 174-177. The President had a double vote in case of a tie.

⁷¹ Article 162 (1).

⁷² Article 162 (2).

⁷³ Article 169.

⁷⁴ It will be recalled that article 179 of the 1934 constitution had discussed in detail the resolution of conflicts between the President of the Republic and his Ministers, with the latter, as a group, holding the right to submit the matter to a vote among themselves. It is true that par. 1 of the article concluded that if the conflict could not be resolved the Minister should resign; but in such a case the President was still not relieved of the obligation to appoint a successor from among individuals who would possess parliamentary backing. (article 163.)

⁷⁵ Articles 85-87.

⁷⁶ Article 78.

⁷⁷ The Chamber of Representatives had been elected, and seats assigned by the Electoral Court, by the use of PR from 1925 onward. Law 9318, March 16, 1934 (1934 *Registro*, 588-692), article 12, extended the previous arrangement and made it more explicit.

⁷⁸ Article 96. Under article 278 of the 1934 constitution, only the Electoral Court had been competent to pass on such questions.

⁷⁹ Article 136.

⁸⁰ Compare article 140 (b) of the 1942 constitution with article 141 (b) of the 1934 constitution. 60% of the members of the General Assembly now could sustain a motion of censure, rather than the two-thirds required by the previous arrangement.

⁸¹ See *Executive Power*, 39-40, for several instances supporting this statement.

⁸² The proposal was made by Drs. José Pedro Massera and Javier Mendivil. *Reforma* 1942, 133 and 135.

⁸³ The speaker was Dr. Elio García Austt: Uruguay, 475 *Diario de la Cámara de Representantes*, 282. *El País* remarked editorially on January 31, 1950, "The truth is . . . that the parliament had made pronouncements on repeated occasions which have not been inspired by a spirit of obstructionism (among other things in the problems of Public Health . . . Colonization and pensions) and the Executive Power has shown a glacial indifference."

Under whatever circumstances, 4 *Con. Nac.*, 237, argued that the censure of a Minister would not necessarily imply the reversal of the policy for which he had been criticized. It would be up to his successor to reverse it. The executive-legislative relationship under the 1942 constitution is evaluated in *Executive Power*, 39-44.

⁸⁴ 1 *Con.* 52, 72, refers to Amézaga as a "neutral Colorado". See Jorge Peirano Facio, "Amézaga, civilista", 19 *Revista del Centro Estudiantes de Derecho* (Sept. 1956), 469-474.

⁸⁵ Berreta had been a member of the National Council of Administration at the time of the coup by Terra in 1933. He was an honest and well-intentioned, but comparatively unexciting, dedicated follower of José Batlle. His principal interest had been agriculture, and he wrote several works on the problems of agriculture and suggested programs for its improvement. See particularly, Tomas Berreta and Jose I. Buzetti, *Esquema de un planeamiento económico y social* (Montevideo, 1946). The book is subtitled, "Por el incremento de la renta nacional y el mejoramiento social y cultural", for the increase of the national income and social and cultural improvement.

⁸⁶ Interview, Washington Beltrán, Assistant Publisher of *El País*, 1950.

⁸⁷ Probably the most adequate exploration of Luis Batlle's views available is that which grew out of an interpellation of the Minister of interior on August 20-21, 1948. Batlle had made a rather inflammatory speech from the balcony of the *Casa de Gobierno* in Montevideo to a crowd estimated at several thousand persons in the Plaza Independencia. He had criticized sharply nearly all of the symbolic positions of José Batlle concerning the electoral and governing process: PR for the election of legislators, the double simultaneous vote for election of the President, the notion of the need for a plural executive, etc. Since Batlle could not himself be interpellated, the Minister was called to explain; the Minister found it inconvenient to do so, and his deputy Minister was saddled with the duty. 475 *Diario de la Cámara de Representantes*, 276-292, 294-329. The burden of Batlle's argument was that the President should be in a position to control policy at all times, and all constitutional provisions impeding this principle should be changed.

In preparation for the 1950 electoral campaign, Batlle entered actively in support of Andrés Martínez Trueba, who ultimately won. This violated article 68 (5) of the constitution, which denied to the President the right to engage actively in political maneuvers tending to influence the outcome of elections. See also *Executive Power*, 22, concerning Batlle's position regarding the General Assembly and his own Ministers.

⁸⁸ 1 *Con.* 52, 73.

⁸⁹ *Supra*, 49, note 36, explains this system. Article 149 of the 1934 constitution.

⁹⁰ See table of elections data in the Appendix.

⁹¹ The Blanco party gained nearly 15,000 votes over its figure for the 1938 elections. The Colorado total increased by 109,000, however, and that party received a plurality of 105,000. 1 *Elecciones*, 444-447.

⁹² The Herrera-Echegoyen list received 205,923 votes, while the Berreta-Batlle list received only 185,715. The Colorado party received 310,496 total votes to the Blancos' 208,120, however. There were 649,405 votes cast in all.

⁹³ 1 *Elecciones*, 448-449, and 518-519.

⁹⁴ In order to distinguish easily among the numerous lists of candidates presented in the elections, the Electoral Court, which supervises the entire process, assigns numbers to the various recognized political groups.

⁹⁵ Under article 281 (B) of the 1942 constitution, 35% of the eligible voters had to cast ballots on the reform proposal, with a majority of these votes in favor. Neither of two proposals presented to the voters at this time received the necessary votes. 1 *Elecciones*, 508-509.

⁹⁶ 2 *Elecciones*, 3-10. In 1946, the Berreta-Batlle list led Herrera in only 6 of 19 Departments, where there were urban centers large enough to give him a distinguishable urban labor vote. 1 *Elecciones*, 516-517.

⁹⁷ In the last great civil war of Uruguay's history, the long-time Blanco caudillo, Aparicio Saravia, was killed in the Battle of Masoller, September 1, 1904. *Historia*, 540-542; also, Zavala Muniz, *op. cit.*, 166-171. Herrera, who was then a comparatively

young man, became the de facto leader of the party at that time, although he was not formally elected party chief until the early 1920s. *Portrait*, 145.

⁹⁸ The *New York Times*, July 2 and 3, 1946, reported the suppression of a plot to overthrow the government. There was conjecture that herrerista groups were involved, although the party's leaders denied it. Suspicion was heightened by the confessed admiration which Herrera held for Perón's government in Argentina.

⁹⁹ Martínez Trueba intimated his interest in restoration of the Council executive in his inaugural address. See Vanger's excellent article, *op. cit.*, 502.

¹⁰⁰ The pact is summarized in *ibid.*, 504-505. Its text, with clause-by-clause analysis appears in 1 *Con. 52*, 76-128.

¹⁰¹ Clauses "A" and "B" of the pact. *ibid.*, 76-77.

¹⁰² Clause "C", *ibid.*, 81-82. Vanger, *op. cit.*, 507, points out that Dr. Eduardo Blanco Acevedo, the leader of the Independent Colorados (formerly the riveristas) joined personally in the group supporting the return to the Council executive, but that he was not followed by his own party grouping. He received a seat in the first Council for the period 1952-1955.

¹⁰³ Clauses "D" and "E". 1 *Con. 52*, 84-85.

¹⁰⁴ The final breakdown of the six Colorado seats in the first NEC was 1 for Martínez Trueba, 1 for Eduardo Blanco Acevedo, 2 for the Batllista "14's and 2 for the Batllista "15's. Herrera controlled all 3 of the Blanco seats. Vanger, *op. cit.*, 507.

¹⁰⁵ Clause "F", 1 *Con. 52*, 85.

¹⁰⁶ Clause "L", *ibid.*, 90.

¹⁰⁷ Clause "X", *ibid.*, 115-116.

¹⁰⁸ Clause "M", *ibid.*, 91-92.

¹⁰⁹ See article 234 (3), 1942 constitution. Preceding constitutions made no statement regarding this matter.

¹¹⁰ By clause "G", the NEC's majority bloc was to appoint the majority of the Directors of government businesses. 1 *Con. 52*, 86. By Clause "R", the majority parliamentary sector was to appoint the Supreme Court, and by Clause "S" that sector was to appoint the Accounts Tribunal. *Ibid.*, 94-95 and 100, respectively. Clause "T" defined the "parliamentary sectors" as legislators elected under a single lema. *Ibid.*, 101.

¹¹¹ The text of the constitutional draft prepared by this committee is found in Uruguay, Secretaría de la Cámara de Representantes, *Reforma constitucional de 1951* (Montevideo, 1952-1953), 3 volumes, at vol. 1, 9-75. This work is cited hereinafter as *Reforma 1951*.

November 25, 1951 was the last Sunday of the month, the customary day for Uruguayan elections.

¹¹² Fitzgibbon suggests that the Special Committee was established on the grounds that the standing Committee on the Constitution did not reflect accurately the strength of the various parties in the Chamber. The Special Committee therefore was elected by PR from among the members. *Adoption*, 627. The members of the Special Committee are listed in 1 *Reforma 1951*, 81; all party groups were represented including the Socialists, Catholics and Communists. 2 *Reforma 1951*, 93-96, reports the meeting of the Chamber of Representatives in which the Special Committee was elected.

¹¹³ 1 *Reforma 1951*, 615-672; 2 *Reforma 1951*, 80-89. The principal minority analysis and report, written by José Cardoso, appears at 1 *Reforma 1951*, 672-674. The final vote of the Special Committee on the draft constitution was 18-7; 2 *Reforma 1951*, 76.

¹¹⁴ 1 *Reforma 1951*, 581-584.

¹¹⁵ The Chamber debate was scheduled originally to begin on September 24th, but a two-day delay occurred because the Special Committee had not completed its tactical plans. 2 *Reforma 1951*, 97-98.

¹¹⁶ 2 *Reforma 1951*, 713-717. Analysis of the vote by *Adoption*, 629, indicates that party lines generally held firm in the Chamber vote. 41 Batllistas, 6 blanco-acevedistas, 31 herreristas and 7 Independent Blancos supported the reform; while 4 Catholics (Unión Cívica), 2 Socialists, 2 Communists, 3 baldomiristas, and 3 blanco-acevedistas voted against it.

¹¹⁷ 2 *Reforma 1951*, 1123-1148. The text of the changes in the Special Committee's draft is presented at *ibid.*, 80-89.

¹¹⁸ 3 *Reforma 1951*, 85-88. The text of the completed draft received from the Chamber of Representatives appears at *ibid.*, 9-81.

¹¹⁹ The text of the report by the Senate's special committee is at 3 *Reforma 1951*, 191-196.

¹²⁰ This preliminary vote in the Senate occurred at 6 a.m. on the morning of October 24th, after an all-night debate. See *ibid.*, 645-650, for the record of the actual vote.

¹²¹ The vote again came after a full night of debate, at 3:48 a.m., on October 26th. 3 *Reforma 1951*, 901. The text of the Senate's amendments to the draft submitted to it by the Chamber of Representatives is presented at *ibid.*, 911-912. Minor changes were made in articles 25, 60, 210, 271 and 275.

¹²² 2 *Reforma 1951*, 610-612.

¹²³ *Ibid.*, 1151-1159.

¹²⁴ 3 *Reforma 1951*, 912.

¹²⁵ 1951 Constitution, articles 149-151.

¹²⁶ Articles 151 (2) and 79.

¹²⁷ Article 151 (3).

¹²⁸ Article 168.

¹²⁹ Article 158.

¹³⁰ Articles 159-167. Article 161 states, "All the resolutions of the Council may be revoked by the vote of the majority of its members," and article 167 (2) continues, "The National Councillors may not, individually, issue orders of any type."

¹³¹ Articles 174-184. Law 9463, 19 March 1935 (1935 *Registro*, 220-223), established the present executive departments.

¹³² Article 177 refers to the Ministers' duty to continue the annual messages to the General Assembly. Article 180 states they may attend meetings of either legislative chamber or of the General Assembly, as well as of their committees, without vote. Articles 85 (19), 93, 102, 147 and 148 refer to impeachment and conviction procedures. Articles 118 and 119 refer to interpellations.

¹³³ Article 174.

¹³⁴ Articles 83-146.

¹³⁵ Article 118.

¹³⁶ Articles 93, 102, 147 and 148. The Senate also may convict Departmental officers impeached by the Departmental *Juntas* (legislatures), under articles 296 and 102.

¹³⁷ Article 148.

¹³⁸ Article 187.

¹³⁹ Articles 236, 308 and 208 respectively.

¹⁴⁰ Article 324. The 1942 constitution had stated that the Electoral Court would have five members, but that it could be increased to nine by a special law. Law 10,390, 13 February 1943 (1943 *Registro*, 609-610), increased it to its present size.

¹⁴¹ Article 77 (9). Article 271 refers to selection procedures for officers of Municipal Councils, where they exist.

¹⁴² The conclusion is based on personal interviews in both 1950 and 1960.

¹⁴³ 1 *Con.* 52, 96: "In general, the reform of 1951 represents an accomplishment of the intention to give to the political parties, and especially to the major parties, truly extraordinary weight and influence in the establishment of all the public authorities, always on the basis of quotas, as if the Public Administration were made to be administered exclusively by partisans . . ."

¹⁴⁴ 1 *Reforma 1951*, 674-675. The Independent Blanco position was made public in Héctor Lorenzo y Losado (h), *Ante la reforma, MCMLI*, (Montevideo, Ediciones M, 1951).

¹⁴⁵ The reform proposal was supported by Martínez Trueba, César Mayo Gutiérrez (his principal Colorado opponent), Herrera, and the Independent Blancos. Most of

the blancoacevedistas could be considered neutralized by confusion, since their leader had broken with the fundamental teachings of the grouping in accepting the offer of a Council seat in return for his support. See 2 *Elecciones*, 3-4. *Adoption*, 625, lists the principal newspapers with their positions. See Appendix for voting figures.

¹⁴⁶ Vanger, *op. cit.*, 504, 506, 508. Interviews in 1960 showed that it was unanimously argued by informants that the reform was intended to deprive Luis Batlle of influence and power. This was not less evident during the campaign, yet Batlle still felt bound by the dogma imposed on the party by José Batlle and perpetuated by his sons.

¹⁴⁷ These newspapers are *La Mañana* and *El Diario*, *El Bien Público*, *El Sol*, and *Tribuna Popular* respectively.

¹⁴⁸ Electoral Court, *Circular 3010*, dated January 17, 1952. The winning majority of votes cast represented only 19.8% of the total of qualified voters, and an estimated 9.5% of the total population.

¹⁴⁹ Brief statements regarding the political climate of the reform and events surrounding it are found in George Pendle, *Uruguay, South America's first Welfare State* (London, Royal Institute of International Affairs, 1952), 23-25; and Philip B. Taylor, Jr., "Interparty Co-operation and Uruguay's 1952 constitution", 7 *The Western Political Quarterly* (September, 1954), 391-400.

¹⁵⁰ The Council justified its action on the ground that an Argentine agitator was fomenting trouble in a shoe factory which was on strike. Art. 168 (7) was employed as the constitutional basis for the declaration of a state of emergency. *New York Times*, September 12-23 and December 18, 1952; *Visión*, October 3 and November 28, 1952.

¹⁵¹ *El Bien Público* (air edition), October 7, 14 and 21, 1958. The law is #12,549, 16 October 1958 (1958 *Registro*, 1135-1152).

¹⁵² During this period Uruguay's highway network deteriorated sharply as the result of neglect and incompetence. Interviews disclosed that several of the major highways became nearly impassible during this period. There were scandals in management of the railroads, and it became necessary to replace the Board of Directors by Council decision. See 1957 *Registro*, 345-347, for the text of the decree of February 27, 1957, by the Minister of Public Works. The reform administration under General Oscar Gestido had to contend not only with overt sabotage by discharged employees (who had been appointed politically) but a measure of obstructionism by the majority of the NCG. *El Bien Público* (air edition), January 14 and August 26, 1958. The matter was reviewed in some detail in *Visión*, February 13, 1959.

The country also had the bad luck to have a series of serious drought years. 1957 *Registro*, 541-544 and 628-631, contains the text of decrees by various Ministries attempting to establish emergency measures to correct or compensate for this difficulty. *El Bien Público*, December 17, 1957; and January 14 and March 15, 1958, discuss the problem for the following season. The weather harmed not only the local food supply, but cut sharply Uruguay's export potential in these years.

¹⁵³ Vanger, *op. cit.*, 507, cites *El Diario* for December 15, 1951.

¹⁵⁴ *El Debate*, June 29, 1960, contains a long analysis of the problems which developed as the result of the reorganization of the Ministry of Public Health in 1958. For no useful reasons—from the viewpoint of services rendered—all personnel in government hospitals were put on 6-hour shifts instead of 8-hour shifts. The result was the creation of 1,449 new jobs.

El País, March 12, 1960, reported a discussion in the National Council growing out of an attack on the Minister of Public Works, Ing. Luis Giannastasio, because of the dropping of several hundred employees in the Highways department of the Ministry. The attacker was Héctor Grauert, who was substituting in the absence of the titular seatholder; Grauert had been the last Minister of Public Works under the 1955-1959 government. Giannastasio was able to show that the Department had had so many employees from 1954 onward that accident insurance premiums for personnel had not been paid; 40% of personnel hired to perform road maintenance were found to be working in offices. Many semi-skilled persons paid as road gang foremen were actually working as doormen in offices, where there was one doorman for every nine employees. In 7 months in 1957-58, 313 new employees had been hired in equipment repair and maintenance shops, although during this period no spare parts were

bought, and at the end of the period there were no self-propelled road scrapers in operable condition although the Department owned a great many. Of the 313 employees hired, 80 were women, who were listed and paid as machinists. Many other details were given in Giannastasio's reply.

¹⁵⁵ Vanger, *op. cit.*, 510, comments on the period up to 1954. Interviews and personal observation since that time confirm that the situation has not changed. See *El Día's* daily columns of political comment, "*De lo que se habla . . . , de lo que se escribe*" during March and April, 1960, regarding the Blanco factions' efforts to reach agreements regarding the budget and the status of the Finance Minister, Dr. Juan Azzini, so that a "party line" could be adopted on the subject in both the Council and the parliament.

¹⁵⁶ 5 *Elecciones*, 24. In 1954, both "14" and "15" lists had run under the same sublema, "Battlismo". (See 4 *Elecciones*, 24). Vanger, *op. cit.*, 511, comments regarding the failure of the sons of José Batlle to keep up with changing circumstances in their thinking.

¹⁵⁷ Except where otherwise noted, the following analysis is based on interview material.

¹⁵⁸ 4 *Elecciones*, V-VI, gives the following data for Independent Blanco elections for the executive branch of government:

Year	Total vote cast	Indep. Bl. vote	Indep. Bl. % of total vote
1942	574,703	67,034	11.6
1946	649,405	62,955	9.6
1950	823,829	62,201	7.6
1954	879,242	32,341	3.7

¹⁵⁹ *El Bien Público* (air edition), July 10, 1956. A small participating group was the Unión Democrática Reformista, led by Dr. Alberto Demicheli; the UDR is of the right wing Colorados, and Demicheli was associated with Terra in the 1933 coup.

¹⁶⁰ There were, however, only 51 lists presented to the voters in Montevideo. This is not a record; in 1950, for example, there were 61 lists presented. 2 *Elecciones*, 18-21; 5 *Elecciones*, 10.

¹⁶¹ For example, Herrera, who was not eligible for a position in the NCG because of the rules against immediate reelection to that body, was a candidate for President of the Republic, an office which would have come into existence had the reform proposals, which he was supporting, received the necessary voter support.

¹⁶² Instituto Uruguayo de la Opinión Pública, *Un estudio sobre las posibilidades de predicción electoral y de las características socio-económicas de los grupos partidarios. Efectuado en la ciudad de Montevideo por el método de muestras representativas* (Montevideo, 1959), 1. This work is cited hereinafter as *IUDOP, Estudio*.

Article 192 of the *Registro Cívico Nacional* law (#7690; 1924 *Registro*, 81-122) provides that the authorities of parties must register them as such in each electoral period, both with the Department Juntas (election supervisory agencies) and the Electoral Court. Article 14 of the Elections Law (#7812; 1925 *Registro*, 27-59) states that the lists of candidates must be registered with the Juntas at least 20 days prior to the election, by means of filing three copies of the printed ballots prepared by the parties which will be used in the election, with all distinctive markings, colors, etc.

Also, see *Visión*, February 27, 1959.

¹⁶³ Instituto Uruguayo de la Opinión Pública, *Elecciones de 1958 en Montevideo*, (Montevideo, 1958), presents the pre-election study. The director of the Institute is Luis Ferreira, who has been an employee of the United States Information Service for many years. His headship of the Institute is a typical example of an individual holding two jobs, but his affiliation has caused the numerous valuable studies to be rejected by those displeased with the factual results on the grounds that they are either "Yankee propaganda" or are tainted with wishful thinking.

¹⁶⁴ *IUDOP, Estudio*, was prepared by the Institute as a report to the 5th Latin American Congress of Sociology, Santiago, Chile, as a post-mortem of the first study (cited *supra*, note 162). It shows that a basic error was committed in failing to inter-

view more extensively in the rural suburbs of the city and Department of Montevideo, where Nardone showed surprising strength.

¹⁶⁵ Just prior to the inauguration of the new Blanco government, a farewell dinner given by military officers for the retiring Chief of Staff in the Club Militar, which is located in the heart of downtown Montevideo, was reported in *Debate* to have been aimed at fomenting a plot to prevent the inauguration. The matter was debated in the Chamber of Representatives on March 3, 1959. *El Bien Público* (air edition), March 10, 1959.

Due to a misunderstanding and bitter argument in public on inauguration day, the Commanding General of Troops in the inaugural parade on March 1 was relieved publicly of his command. Interview, Carlos Quijano, July 5, 1960. This event gave rise to rumors.

¹⁶⁶ Dr. Carlos Rama, "La crisis política uruguaya"; *Combate*, #5 (March-April, 1959), 3-6, discusses the possibilities of fascist trends developing in Uruguay under the new government.

¹⁶⁷ While Martín R. Echegoyen always had been a follower of Herrera, as has Justo M. Alonso, Faustino Harrison was never strongly in support of Herrera, and was elected as a ruralista contribution to the list. Pedro Zabalza, who was elected as a ruralista, always had been more herrerista than anything else. Haedo, elected as an herrerista, was much more concerned with his own interests than any party alignment as such; the same statement could be made of Nardone himself.

¹⁶⁸ A total of 1,005,362 votes were cast in the election for the NCG. The Blanco lema received 499,425 votes, divided among three sublemas. The winning sublema received 241,939 votes, or 24.7% of the total vote cast. 5 *Elecciones*, 22-23.

¹⁶⁹ *Visión*, February 27, 1959.

¹⁷⁰ 5 *Elecciones*, 24 and 29. 2 "Intransigent" Blancos must be added to the list of Representatives, making a total of 51, or one more than a majority. The Blancos' 17 Senators are an easy majority of the total of 31 members of that chamber.

Although the Senate is intended to have the same person as presiding officer (President) for the entire four-year term (article 94 (2) of the 1951 constitution), the closeness of the strength of the two sublemas forced the agreement that the presidency rotates annually among the top named on each of the two (UBD and herrerista) lists.

¹⁷¹ *Visión*, February 27, 1959, discusses the problem in some detail. See also *El Bien Público* (air edition), March 3, 1959; and *Semana Uruguaya*, March 9, 1959.

¹⁷² The activities of the Blanco party leadership were commented on and described extensively all during the period of parliamentary debate in both the Chamber and the Senate, March to August, 1960, in the political columns of *El País*, *El Día*, and *La Mañana*. The latter two sources were more candid, since they are the properties of opposition party groups.

¹⁷³ An outstanding example of this occurred in the matter of a bill voted by the NCG to subsidize the "prensa filmada" (newsreels), provided they met certain criteria for corporate organization, invested capital, etc. The law was carefully written so as to exclude all but one company, "Noticiero Uruguaya", owned by Joaquín Martínez Arboleya, a crony of Nardone's. The subsidy would run to only 500,000 pesos annually, yet it was widely reported that Martínez had spent millions in his efforts to obtain the subsidy, although there were no reports of outright bribery lodged against him. The bill was voted by the Council majority one morning after debate had been going on for seven hours. César Batlle Pacheco, the "14" leader, had left the meeting previously, protesting the late hour, and was not informed of the action until several days later. When he learned of it he demanded complete reconsideration, and in the ensuing debate, which was published in full in *El Día*, Batlle Pacheco's newspaper, it became apparent that the tactical handling of the matter had been arranged so as to exclude him when the debate and vote occurred. *El Día*, April 2, 1960.

¹⁷⁴ Víctor Guaglianone, a member of the Tribunal, discussing the proposed rate structure for the *Usinas de Teléfonos y Telégrafos del Estado* (UTE). *El Día*, March 15, 1960.

¹⁷⁵ Reported by Héctor Batlle Correa, Senator, 1951-1955; interview, May 20, 1960.

CHAPTER III

¹ Russell H. Fitzgibbon, "Measurement of Latin-American Political Phenomena: a Statistical Experiment", 45 *The American Political Science Review* (June, 1951) 517-523, reports the opinions of a number of specialists on Latin America. The respondents are asked to assign grades to all countries in a large number of categories. Uruguay was rated most democratic by a wide margin in this poll. The poll was repeated by Fitzgibbon five years later, with a widened circle of specialists, and reported in "A Statistical Evaluation of Latin American Democracy", 9 *The Western Political Quarterly* (Sept. 1956), 607-619, with a similar result. A third polling, as yet unpublished, again gives Uruguay first place, although by a smaller margin.

² An ideal example is Domingo Tortorelli, whose personal party is called "*La Concordancia*". He ran for the presidency in 1942 and received 40 votes; in 1938 he had received 69 votes, and in 1950, 38 votes. His rather zany platform is cited in *Portrait*, 152.

³ The basic law regarding press subsidy was No. 9,971, 29 November 1940 (1940 *Registro*, 897-898). It provided that foreign exchange would be made available at the rate of \$1.00 US for 1.51 pesos. Although this was not a great advantage at the time of enactment, the rate was continued until December, 1959. By this latter time, the rate was nearly 11.00 pesos to the dollar.

In addition, law 11,670, 5 June 1951 (1951 *Registro*, 609-610), provided 500,000 pesos for purchase by the Executive Power of newsprint for distribution to newspapers of the interior of the country. The paper would be sold at cost, free of all taxes. The plight of the newspapers after the withdrawal of the special privilege is examined in detail in *El País*, February 22, 1960, 4.

⁴ See *Portrait*, 153-167, for a general discussion of Uruguayan newspapers.

⁵ *Ley de Elecciones*, (Elections Law), law 7,812, 16 January 1925 (1925 *Registro*, 27-59), articles 166-172. This law is cited hereinafter as *LDE*.

⁶ Constitution of 1952, art. 324. The Court has nine members, each of which has two substitutes who may assume the incumbent's seat in case of incapacity for any reason. Four members are elected by a special joint session of the General Assembly, by a "double simultaneous vote". Five members are regarded as impartial, and are elected by an absolute two-thirds vote. Dr. Justino Jiménez de Aréchaga notes cryptically regarding the desire for impartial members, "This is a very pretty conception". 4 *Con. 1952*, 139. The same question also raised by *Marcha* in its edition of November 18, 1960.

The most authoritative discussion of the Court is in Héctor Gros Espiell, *La Corte Electoral* (Montevideo, University of Montevideo, 1960). At p. 120-126, Gros discusses the question, does the Court have equal standing with the classic three "powers" of government? His conclusion is that it does not, but that it has a great deal of autonomy. At p. 89-90, Gros discusses the political and theoretical antecedents of the present Court and the elections laws.

A more general discussion of the elections system is *Electoral System*, 19-42.

⁷ *Ley de Ciudadanía Legal* (Law of Legal Citizenship, i. e., of Naturalization), law 8,196, 2 February 1928 (1928 *Registro*, 50-57). The Minister of Foreign Relations is obligated to provide documents which will be used for purging the registry of voters, on the request of the Court. *Ley de Registro Cívico Nacional*, law 7,690, 9 January 1924 (1924 *Registro*, 81-122), article 186. This latter law is cited hereinafter as *RCN*. Similar demands may be made of clergy, *RCN*, arts. 204-209.

⁸ *RCN*, cited.

⁹ 5 *Obras Históricas*, 393. *RCN*, arts. 15-39, restates and amplifies this preceding law, and establishes procedures and powers. The Departmental Juntas are elected at the quadrennial general elections. They are not mentioned in the constitution, and are subject to the Court in all their acts.

¹⁰ *RCN*, arts. 50-74. The Court regularly publishes volumes of voting statistics, the voting statutes as revised periodically, and much other information essential to understanding the system. Basic to the present study are the volumes edited by Julio T. Fabregat, an official of the Court, *Elecciones Uruguayas*. Vol. I reports elections from 1925 to 1946, inclusive; Vol. II, for 1950, and 1951's Departmental plebiscite in Montevideo; Vol. III, the constitutional plebiscite of 1951; Vol. IV, the

general elections of 1954; Vol. V, the general elections of 1958. All are mimeographed. All elections laws and relevant constitutional provisions are published quadrennially for the use of candidates and elections officials in pocket-sized pamphlet form with the title *Leyes Electorales*. Election volumes are cited as *Elecciones*.

¹¹ RCN, art. 75. LDE, arts. 6-21.

¹² LDE, arts. 7 and 8. Non-citizens may vote in certain limited instances. In the 1958 elections, of 1,409,372 registered voters, 733 were non-citizens. 5 *Elecciones*, 75.

¹³ LDE, art. 9.

¹⁴ Law 9,378, 5 May 1934 (1934 *Registro*, 1014-1016). The law contains provisions for resolving conflicts regarding the legal ownership of a political group's name or slogan. When there is a contest, the majority of the parliamentary bloc elected under the contested name is competent to rule as to the proper owner.

¹⁵ Law 9,524, 11 December 1935 (1935 *Registro*, 876-877). The herrerista sublema owns the building and all copyrights of *El Debate*, a major newspaper in Montevideo. In addition it owns a large headquarters building and other properties. List "14" owns *El Día*, the city's largest newspaper, and properties reputed as worth several million pesos.

¹⁶ RCN, arts. 179-193. Party delegates attend meetings of the Court and its subsidiary organizations, and may make protests and recommendations. The parties specifically have recourse to the General Assembly in case of irregularities which the Court will not recognize. RCN, art. 184. The party representatives also may enter objections to appointees to employment under the Court, by RCN, art. 185.

¹⁷ Julio T. Fabregat, *Los partidos políticos en la legislación uruguaya* (Montevideo: Organización Medina, 1949), 78. The matter is discussed in some detail in *Electoral System*, 28-30. The court actually is not obligated by law to accept employee nominations from the party boards, but decided to do so by one of the first implementing decisions which it made after beginning operations in January, 1924. Dr. José Ramasso, a member of the Court in the mid-1930s and its interventor after the Baldomir coup of 1942, is quoted by Fabregat (*op. cit.*, 76-77), "The party certifies the rectitude, the morality, the honesty of the candidate. And it certifies something more; it certifies that . . . the employee, by declaring himself thus affiliated to that party, [has not] falsified the truth . . ." The decision by the Court has been attacked sharply and often.

¹⁸ Gallinal, *op. cit.*, 198.

¹⁹ LDE, arts. 173-190.

²⁰ Law 8,312, 17 October 1928 (1928 *Registro*, 656-665), art. 30, first provided the government's commitment to contribute to election expenses by paying for the printing of party ballots. The initial contribution was to be for the payment of 20 ballots per vote received. In 1950 (law 11,603, 18 October 1950, 1950 *Registro*, 1199-1200) this was increased to 150 ballots per vote.

²¹ Law 12,561, 21 October 1958 (1958 *Registro*, 1194-1196). Calculations and total payments are listed in 5 *Elecciones*, 17-18. In the 1954 election payments were based in an appropriation of 3,500,000 pesos, and ranged from a high of 1,565,597.76 pesos to Colorado list "15" to a low of 258.75 pesos to the Partido Obrero for 65 votes. The parties received 3.828 pesos per vote. Law 12,145, 19 October 1954 (1954 *Registro*, 900-901).

²² LDE, art. 10, grants the Court the power to make these decisions. 5 *Elecciones*, 11, states the detailed provisions regarding ballot sizes, etc. Larger ballots were prescribed for Montevideo than for elections in other departments; each plebiscite issue was to be voted on its own ballot; the added lists of candidates who would assume office in case a constitutional reform provision passed were placed on further ballots. The voters ended by having to deal with far more than the usual one ballot.

²³ LDE, art. 14, as amended by law 9,318, 16 March 1934 (1934 *Registro*, 588-692).

²⁴ In the 1958 election there were 5,536 polling places for regular voters, plus 292 special polling places for "interdepartmental" voters (persons who voted outside their regular precincts).

²⁵ RCN, arts. 76-109, establish the general rules regarding registration of voters. Art. 125 establishes ineligibilities, while arts. 126-169 establish rules for exclusions,

challenges, and procedures for handling both matters. The exclusion of soldiers is based on the use of solid blocs of soldier votes to rig elections in the 19th century. Some typical illustrations of the practice are found in 5 *Obras Históricas*, 395-396, for the election of 1887; 6 *ibid.*, 147, for the election of 1901.

Art. 78 of the 1952 constitution refers to the voting rights of non-citizens. This is discussed in some detail in Gros Espiell, *op. cit.*, 347-349.

²⁶ *RCN*, art. 75, provides that registration offices shall open in March of the year following any election, and will continue until May 15 of the year in which the next election occurs. In case of a special election for plebiscitary purposes, registration of voters is suspended for a period of 10 months by this formula.

²⁷ *RCN*, art. 221, as amended by law 12,103, 14 May 1955 (1955 *Registro*, 384-385).

²⁸ *LDE*, arts. 22-31. The specific date on which this information is due in the hands of the Court, from the Juntas, is September 30th.

²⁹ Efforts to make voting compulsory for all eligible persons were rejected by a citizen committee appointed by the Dictator Lorenzo Latorre, in 1878. Latorre dissolved the committee, but no further efforts were made at that time. Voting was made compulsory, under penalty of a 50-peso fine, for the 1915 election for constituent convention members. 5 *Obras Históricas*, 22, and 7 *ibid.*, 5, respectively. *El País*, March 27, 1960, reported a bill had been introduced in the Deputies in 1959 to require all eligible voters to vote. The bill was bottled up in committee.

³⁰ *LDE*, arts. 32-41, as amended by law 10,789, 23 September 1946 (1946 *Registro*, 1039-1045), art. 6. Voters who have been appointed to precinct boards by the Juntas have very limited rights of appeal against the appointment, and are required legally to serve.

³¹ Law 10,789, *op. cit.*, arts. 7-19. Public Employees are paid extra income for this work. Failure to appear without prior excuse by competent authority results in a fine against them of a half of one month's salary.

³² *LDE*, arts. 44, 53-58.

³³ *LDE*, arts. 104 and 114.

³⁴ *LDE*, art. 115.

³⁵ *LDE*, arts. 116-119.

³⁶ *LDE*, arts. 125-141.

³⁷ Fabregat, *op. cit.*, 71-74. *LDE*, art. 144.

³⁸ *Ley complementaria de la de elecciones*, (Supplemental election law) 25 October 1925 (1925 *Registro*, 471-477.) Fabregat, *op. cit.*, 73.

³⁹ *LDE*, arts. 162-165. There have been no instances of suspensions of elections under the present constitution, but under previous constitutions suspensions have been voted by the Chamber of Representatives on several occasions. Two elections were suspended in 1925, in the Departments of Rocha and Salto (1 *Elecciones*, 42 and 47). In 1928, the Chamber suspended elections in Montevideo, San José, Tacuarembó, Canelones, and Rocha. (*Ibid.*, 122 and 130). In the second Rocha case, the Chamber specifically overrode an award made by the Court; in other cases, the Chamber accepted the recommendations of the Court.

⁴⁰ 1952 constitution, art. 322 (C). Previous relevant constitutional provisions were: 1830 constitution, art. 43; 1918 constitution, art. 39; 1934 constitution, art. 278; 1942 constitution, art. 95. The matter is discussed in some detail in Gros Espiell, *op. cit.*, 312-321.

⁴¹ Fabregat, *op. cit.*, 73-74, states "one votes for the party, . . . for a tendency within the party, and . . . for a fraction within the tendency. There is no expressed preference for a specific candidate, but for a tendency which cannot be, many times, fundamentally different from the others; and one even votes within a tendency for a fraction which is not distinguished from the others by any appreciable political condition save that of personalities."

⁴² 4 *Elecciones*, 17-19, and 5 *Elecciones*, 19-21. Two parties, the Communists and the Frente Obrero Sindical, ran three candidates rather than a full slate of six in 1958.

SLATES OF CANDIDATES NOMINATED IN MONTEVIDEO, 1928-1958

Year	Office	Blancos sub- lemas	tickets	Indep. Blanco (subl.)	Colorados sub- lemas	tickets	Unión Cívica	Social- ist	Com- munist	Others (no. of parties)
1928	NCA ^a	1	1	...	3	3	1	0	1	1
	Sen ^b	5	8	...	2	8	1	1	1	1
	Depy	5	8	...	2	4	1	1	1	7
1930	Pres ^c	2	8	...	2	6	0	0	1	0
	NCA	3	6	...	2	6	0	0	1	0
1931	Depy	7	22	...	6	23	1	1	1	10
1932	NCA	1	2	...	3	4	0	1	1	0
1933	Conv ^d	3	3	...	7	8	1	0	1	5
1934	Sen	2	4	...	2	16	0	0	1	0
	Depy	2	4	...	2	13	1	1	1	5
1938	Pres ^e	1	1	...	2	2	0	1	0	1
	Sen	1	1	...	1	1	1	1	0	0
	Depy	6	7	...	2	7	1	1	1	5
1942	Pres	3	3	1	4	4	1	1	1	1
	Sen	2	2	1	5	5	1	1	1	1
	Depy	7	13	2	5	29	1	1	1	2
1946	Pres	3	3	1	3	3	1	0	1	0
	Sen	3	4	4	3	3	1	1	1	1
	Depy	4	11	3	4	25	1	1	1	1
1950	Pres	2	2	1	3	3	1	1	1	4
	Sen	2	2	2	3	4	1	1	1	5
	Depy	5	18	5	3	26	1	1	1	5
1954	NCG ^f	3	3	1	3	3	1	1	1	2
	Sen	3	3	1	3	4	1	1	1	2
	Depy	3	17	1	3	9	1	1	1	2
1958	NCG	3	3	...	3	3	1	1	1	6
	Sen	3	3	...	3	6	1	1	1	6
	Depy	3	24	...	5	18	1	1	1	5

^a. National Council of Administration. Elected by thirds every 2 years.

^b. Senate, elected (under 1918 constitution) by electoral colleges, for six-year terms, with one-third of Departments voting each two years.

^c. President of the Republic, elected each four years by popular vote.

^d. Constitutional convention of 1933.

^e. President of the Republic, sole executive officer under 1934 constitution, for four-year term.

^f. National Council of Administration, each four years, under 1952 constitution.

⁴³ Ley de Lemas, Law 9,831, 23 May 1939 (1939 *Registro*, 434-436), art. 7.

⁴⁴ 1942 constitution, art. 234, par. 3.

⁴⁵ 1952 constitution, art. 77, par. 9. In spite of the attempt at greater unity of the parties and sublemas implicit in this provision, the number of lists of candidates offered in the nation as a whole was the largest in history. Examination indicates, however, that the differentiations were in local lists, rather than national, and that this affiliation was evident in the frequency with which identifying numbers were repeated.

TOTAL NUMBERS OF LISTS OF CANDIDATES, 1934-1958

Area	1934	1938	1942	1946	1950	1954	1958
Montevideo	30	22	48	48	64	35	51
National...	221	174*	291	269	331	276	368

*The drop in this year is explained by the abstentions of many political groups, of varying sizes, during the government of Gabriel Terra.

⁴⁶ The articles provides that the accumulation of votes for any elected position shall occur only for votes cast within "permanent" lemas. "Nevertheless, the accumulation of votes is authorized for fractions which belonged to a single party and which subsequently . . . employed a new lema (name or slogan), and may take place under the lema of one of them or, if each retains its own lema, by [individual office] lists, jointly or separately . . . [if] the political fractions to which this provision refers desire to make use of [it], they shall inform the Electoral Court by means of their national authorities, or the departmental electoral organisms in the appropriate cases, not less than thirty days before the date of the election, indicating, further, on the respective ballots, the accumulative character of the lists which have been the objects of the agreement.

"Persons affiliated with fractions which belonged to a single party and which subsequently . . . employed a new lema, may be included without distinction in the lists of candidates of those fractions . . ."

Bandera, 497, explains that this provision permits fractions or individuals who once belonged to a single party, and which later broke temporarily with it to form their own lemas, to unite for the purpose of accumulating their votes for one or more offices.

⁴⁷ *LDE*, art. 11, was the original provision. Decree-law 10,237, 26 September 1942 (*1942 Registro*, 1115-1116), amended the provision. The decree-law nullified all awards of identifying numbers which had been made by the Court or Juntas prior to the coup; the numbers had been an issue in the conflict prior to Baldomir's seizure of power, since some political elements had attempted to confuse the voters by misappropriation of numbers which had been used by winning party lists in 1938.

⁴⁸ The individual voter carries a leather-bound booklet or *cédula*, about 2½ by 3½ inches in size, which carries his photo, fingerprints, personal identification, address, and other relevant identification data, as well as his permanent registry number and precinct. Persons are permitted to vote outside their regular precincts, but subject to challenge and to some delay in the final counting of their ballots.

⁴⁹ *El Diario*, November 29, 1954.

⁵⁰ *Supra*, 53, note 87.

Interviews in both 1950 and 1960 indicated substantial support for the view that the present election system has unfortunate affects in many ways, however.

⁵¹ *Estudios*, #3-4 (August-November), 1956, 7-13, at its editorial entitled "Nuestro diálogo con el Partido Socialista." *Estudios* is the official periodical journal of the Communist party of Uruguay. *El País*, February 8, 1960, reported the weakening of the position of Frugoni, while Vivian Trias, a Socialist member of the Chamber of Representatives, has become the real leader of the party.

The situation is clouded by the great respect in which Frugoni is held throughout Latin America. On July 23-24, 1960, the 5th conference of the Consultative Committee of the Latin American Secretariat of the Socialist International was held in Montevideo. Trias was President of the meeting, but Frugoni (Uruguay), Alfredo Palacios (Argentina), and Salvador Allende (Chile) were honorary Presidents of the meeting. All three men have been victims of Trojan Horse tactics within their own parties, although Palacios was elected to the Argentine Senate for the Province of Buenos Aires in a by-election on February 5, 1961. See 4 *Boletín del Secretariado Latinoamericano de la Internacional Socialista*, #4 (July, 1960), 68-69, regarding the meeting. It is useful to note that the tone and vocabulary of the resolutions adopted at the meeting were completely in accord with the line of the Soviet Union and Cuba.

⁵² Carlos M. Rama, "José Batlle y Ordóñez y el movimiento obrero y social en el Uruguay", in Jorge Batlle (ed.), *Batlle, su obra y su vida* (Montevideo, Editorial Acción, 1959), 39-59. This book is cited as *Batlle obra y vida*. Much of the following information is drawn from this article.

⁵³ 6 *Obras Históricas*, 432. The total vote in Montevideo was 8,992, of which the Liberal-Socialist coalition received 895 and the Catholic party 342. Of 24 seats in all, the Colorados received 21, the coalition 2, and the Catholics 1. The coalition's officeholders were Pedro Díaz and Frugoni.

⁵⁴ *Ibid.*, 528; *El País*, February 8, 1960; Rama, *op. cit.* The two Socialist seat-holders now were Frugoni and Eugenio Gómez.

⁵⁵ 7 *Obras Históricas*, 8.

⁵⁶ *Ibid.*, p. 12; Robert J. Alexander, *Communism in Latin America* (New Brunswick, N. J., Rutgers University Press, 1957), 136.

⁵⁷ Alexander, *op. cit.*, 136-137.

⁵⁸ 7 *Obras Históricas*, 143. The Communist party received one seat, the Socialists none.

⁵⁹ 7 *ibid.*, 290. The Communist party received two seats, the Socialists one.

⁶⁰ 1 *Elecciones*, 122.

⁶¹ COMPARATIVE STRENGTH OF COMMUNIST AND SOCIALIST PARTIES, 1931-1958, IN CHAMBER OF REPRESENTATIVES:

Party	1931	1934	1938	1942	1946	1950	1954	1958
Socialist	2	2	3	1	2	2	2	3
Communist	2	1	1	2	5*	2	2	2

*Communists also received one Senate seat.

⁶² Uruguay was the first Latin American country to renew relations with the Soviet Union after the first world war, in 1926. Relations were broken off, December 27, 1935, after Brazilian dictator Getulio Vargas stated that Communists operating out of Montevideo had fomented a revolution earlier in that year. The Uruguayan government broke with the Soviets on the specific charge that their legation had engaged in subversive activities. The Soviets protested to the League of Nations on December 31, 1935, that Uruguay had violated the provisions of the Covenant of the League; the Soviet delegate, Molotov, protested that the real reason was Soviet refusal to buy Uruguayan cheese. Coining a phrase which belongs among the Soviet representatives' more distinguished efforts, he stated, "Uruguay is a nation of contrabandists and cheesemakers". L. L. Alexander, "Spotlight on the Soviet", 161 *The Saturday Review* (June 6, 1936), 19; 187 *Diario de la Cámara de Senadores*, 47-48, debates for November 5, 1947.

⁶³ Jacobo Arbenz Guzmán, who was ousted from the Presidency of Guatemala in 1934 because of the civil war won by Col. Carlos Castillo Armas, resided in Montevideo for several years prior to his departure for Cuba in July, 1960. He was known generally as a channel for funds directed from abroad to the Uruguayan Communist party.

In January, 1961, Cuban Ambassador Mario García Inchaústegui and Soviet Embassy First Secretary Mikhail K. Samilov were declared *personae non gratae* by the Executive Council. *El Bien Público* (air edition), January 17, 1961. Both were charged with subversive activities.

⁶⁴ Enrique Rodríguez, "Una cuestión candente: crear la Central Unica del proletariado?", *Estudios*, #2 (April-May, 1956), p. 1-5.

⁶⁵ IUDOP, *Encuesta Los Sucesos del Año* (Montevideo, 1956), 53-55.

⁶⁶ See the rather complacent statements in *Portrait*, 149-151, and R. J. Alexander, *op. cit.*, 135-143. It must be observed that Dr. Alexander's introduction to his second printing (1960) indicates more general concern for Latin American communism, however.

⁶⁷ The Socialist party's headquarters in Montevideo publishes the periodical publication of the Latin American Secretariat of the Socialist International, as a part of its duties. *Boletín del Secretariado . . . Socialista*, *op. cit.*, published at the party's offices at Soriano 1218, Montevideo.

⁶⁸ Rama, *op. cit.*

⁶⁹ Héctor Cornejo Chávez, *Nuevos principios para un nuevo Perú* (Lima, Imp. El Condor, 1960); Congreso Internacional de la Democracia Cristiana, *Anales del*

quinto congreso (Lima, 1960); *Una tercera posición. Discursos demócrata cristianos en los últimos cuatro años* (Lima, Editorial Universitaria, 1960).

⁷⁰ See the voting record of the Unión Cívica party as cited in Appendix. John J. Considine, *New Horizons in Latin America* (New York, Dodd, Mead, 1958), 101-110, discusses the rather casual Uruguayan attitudes toward religious devotion, as well as the place of the party. Mr. Considine is a priest, and the work therefore is written from this viewpoint; the accuracy of his writing is open to some question, however; he specifically refers to the Blanco party as pro-Catholic, and lists the Unión Cívica as only an off-shoot of the Blanco party, for example.

⁷¹ *Portrait*, 121.

⁷² *Ibid.*, 230-244.

⁷³ The two parties derived their names from the color of hatbands used to distinguish sides after an uprising in 1836. The colors, red (colorado) and white (blanco) thus had only a personalist meaning. See 2 *Obras Históricas*, 473-474.

⁷⁴ The best example of the political influence of "big agriculture" in recent years perhaps is found in the \$7,000,000 loan by the International Bank for Reconstruction and Development to Uruguay for the improvement of 600 large rural properties over a period of three years. The properties averaged 1,000 hectares (2,400 acres) each in size. The details were published in *El País*, Jan. 10, 1960.

⁷⁵ In the 1954 election campaign, the slogan of the leading Blanco sublema was "With Herrera, for Sovereignty, and against Imperialism"; at the time Herrera's pro-Perón and anti-United States views were generally known and commented on.

⁷⁶ On March 1, 1960, *El Debate* printed in both Spanish and English translation a full front-page editorial addressed to President Eisenhower on the occasion of his visit to Uruguay. It made clear that the country's relationships with the United States are conditioned on the pursuit of a policy by the latter country which make possible Uruguayan acceptance of these relationships, and that the present good terms do not commit the Blancos to relinquishment of their traditional nationalist views. The position was not shared by *El País* and *El Plata*, the newspapers of the UBD, however; rather, these newspapers were sharply critical of their stablemate's recalcitrance at such a moment.

⁷⁷ John J. Johnson, *Political Change in Latin America* (Stanford, Stanford University Press, 1958), 56-58.

⁷⁸ Zavala Muniz, *op. cit.*, 216: "Montevideo is the batllista city, with its large working masses, student contingents, a powerful middle class, intellectuals with revolutionary ideas and the multitude of public employees who since the first government of Batlle have felt their social function dignified . . . The great batllista legislation . . . has borne most directly on the city. The great problem of property and of the land has not yet been formulated in terms of the radical solutions [which are necessary]."

⁷⁹ Giudice, *op. cit.*, 769, quotes Dr. Baltasar Brum, later President of the Republic, 1919-1923, as saying "From the point of view of the national economy, a wasteful administration by the State is always preferable to the efficient management of an industry by foreign enterprise."

⁸⁰ The most commonly-stated view by respondents was that Batlle was attempting to regain adherents presumably lost to the Socialist and Communist parties, as well as to Nardone. See *Acción*, July 24, 1960, concerning his attempt to obtain an official government statement in support of the pro-Castro resolutions voted by the meeting of the Latin American Secretariat of the Socialist International, in its meeting in Montevideo of July 23-24.

⁸¹ The Asociación Rural's early activities are discussed briefly by Carlos Rama, in *José Pedro Varela, Sociólogo* (Montevideo, Editorial Medina, 1957), 26-27, 29. It played a central role in establishing the military dictator, Colonel Lorenzo Latorre, in power in 1876. This work is cited as *Sociólogo*.

⁸² *El Bien Público* (air edition), December 31, 1957, reports the letter of the Federación Rural to the Minister of Stock Raising and Agriculture warning of the consequences of government labor and price policies. Bank of London and South America, *Fortnightly Review*, September 13, 1958, reports the criticism of government policy in

the Federation's convention, together with the bills introduced by the Executive Council into the legislature which seek to meet these criticisms. This publication is cited as *Fortnightly Review*.

El Pais, March 26 and 27, 1960, discussed more recent smuggling of cattle and sheep into Brazil to evade the controls imposed on sales to the central market in Montevideo.

El Debate, March 17, 1960, reported the condition of the *Instituto Nacional de Colonización*, a government organization established in 1948 for the purpose of distributing land under somewhat paternalistic conditions to small farmers. The agency obtains land, by purchase if necessary, and settles families on it, first as renters, and later as purchasers, while providing essential financing. The agency has been opposed rather consistently by the Federation. Its basic law is No. 11,029, 12 January 1948 (1948 *Registro*, 63-105).

General opinion, supported by the views of legislators who were interviewed is that the Federation substantially has gained control of the IBRD loan for agricultural expansion (*supra*, note 74). Further, opinion backed by facts suggests that inflation in the period 1957-60 benefitted the great wool and meat raisers. Carlos Quijano, Director of *Marcha*, interviewed July 1, 1960, and Daniel Vaz, Banco de la República, July 7, 1960, agreed that land values have increased as much as ten to fifteen times, and the value of animals has increased as much as five times since the Blanco inauguration on March 1, 1959, because of the price advantages gained by the great landowners through inflation.

⁸³ *El Bien Público* (air edition), March 31, 1959, reports a meeting of the executive committee of the Cámara Nacional de Industrias. The meeting called on the National Council of Government to re-examine the policies of the Export-Import Control Board. Early in March, this Board, which possessed much control over imports and exports, and the allocation of foreign exchange, had been modified by Council decree; the representatives of private business were dropped for a smaller body composed entirely of representatives of the government's executive departments. The Cámara's protests resulted in abolition of the Board on April 13, 1959 (*Diario Oficial*, April 14), as the Executive Council reacted in impatience. *Fortnightly Review*, April 11 and May 9, 1959.

El Pais, March 23, 1960, reported a statement by the Cámara's executive committee of its views on a contemplated price-fixing decree for foods, essential materials, and fuel. When the Executive Council promulgated the decree on March 31st, it was found to meet a number of the Cámara's views.

⁸⁴ Law 10,449, 12 November 1943 (1943 *Registro*, 1650-1660), establishes tripartite boards or Councils, composed of three representatives of the government's executive branch, two from labor, and two from employers. Under the law, all labor-management negotiations regarding wages, working conditions, and other factors, must be initiated in the Councils.

As the result of the law's operations, "sub-gremios" have been organized by employers in a great many specialized fields of activity. Thus, there are specific sub-gremios among auto importers, fabric and textile producers, grocery wholesalers, etc. Orlando Dovat, of the Banco Comercial, interview June 29, 1960.

⁸⁵ Interviews with Jorge Rodríguez Luengo, Banco de la República, August 5; Gervasio Domenech, UBD Deputy, August 3; and Moratorio G. Collazo, Secretary to the Chamber of Representatives, August 4, 1960.

⁸⁶ The banks belonging to the government are the Banco de la República (Central bank), Banco Hipotecario (Mortgage bank), Banco de Seguros (Insurance bank), and Caja de Ahorros Postales (Postal Savings Bank). In addition to the activities suggested by their titles, all but the Insurance Bank also conduct regular commercial operations of all types; the Insurance bank operates merely as an insurance company.

Portrait, 139, reported that in 1950 nearly 65% of all commercial banking in the country was in the hands of the government banks. The First National City

Bank of New York, Montevideo Branch, *Monthly Letter* reported in June, 1960, the following figures, in thousands of pesos. This latter publication is cited as *Monthly Letter*.

Category	March 1960	February 1960	March 1959
Reserve Cash	899,012	932,639	372,897
Private banks	344,954	372,325	222,180
Banco República	544,058	560,314	150,727
Loans, pesos	4,026,937	3,962,819	3,336,957
Private banks	2,470,714	2,446,448	2,065,666
Banco República	1,556,223	1,516,371	1,271,291
Deposits, total	2,852,462	2,752,326	2,058,750
Private banks	1,713,113	1,704,270	1,356,712
Banco República	1,139,349	1,048,056	702,038
Deposits, sight	1,552,941	1,456,112	892,442
Private banks	694,322	686,217	443,613
Banco República	858,619	769,895	448,829

⁸⁷ As of the end of September, 1960, there were 58 private banks chartered in the country. *Fortnightly Review*, September 10, 1960; and *Monthly Letter*.

⁸⁸ On June 10, 1959, 40,000 government employees, including all bank employees, staged a 24-hour work stoppage in protest at legislative foot-dragging over approval of the wage raises all were demanding. All government bank employees defied the law forbidding strikes by government employees on October 6, and remained out for two weeks in protest against an offer of 10% across-the-board which was made by the government. On October 20, the government announced all had been fired and that applications would be accepted for new employees. The union capitulated and accepted new offers on October 21, which involved raises of up to 40% in top salary brackets and to 100% in lower brackets. They had been supported during their strike by private bank employees, who had staged short stoppages several times, and one 24-hour strike on October 13. *Fortnightly Review*, June 20, October 24, and November 7, 1959; *New York Times*, October 21 and 22, 1959.

In spite of the legal provisions declaring strikes by government employees to be criminal conspiracies, no retaliatory steps were taken except against a handful of leaders; the bank employees lost the pay due them for the period of the strike, however. All bank employees received their usual year-end bonuses at the end of the year, amounting to an average of 1½ month's regular salary. It should be noted parenthetically, that bank employees are generally regarded as a highly favored group. IUDOP, *Una incógnita nacional. El empleado público* (Montevideo, 1956), 58, 61, 88. The facts warrant this belief, completely, although it should be noted that the special perquisites of bank employees are paid out of bank resources. This work is cited as *Incógnita*.

⁸⁹ Asociación de Bancos del Uruguay, *Resumen de los principales aspectos de la actividad económica del Uruguay en el año*—(Montevideo), an annual volume.

⁹⁰ The Association's living costs data are generally accepted by other unions and gremios for wage and fringe benefit negotiation. Two government offices calculate price indices as well; the *Dirección General de Estadística y Censos* is considered by the Executive Council to be the author of the official standard calculations, but the Ministerio de Industrias y Trabajo also calculates an index for lower income groups in Montevideo. The two figures vary considerably at times. *Fortnightly Review*, August 13, 1960, illustrates the conflict for the period January 1 to June 30, 1960; the two indices varied by 2%, and the Association's index disagreed with both. The latter showed a rise in the period of 9.67%; the Census Office index showed a rise of 11%, and the Labor Ministry's index indicated a rise of nearly 13%.

⁹¹ Confidential interview with an official of a foreign bank in Montevideo.

⁹² *El País*, February 28, 1960. The participating organizations were the Asociación de Bancos, Asociación pro Intensificación de Comercio Estados Unidos-Uruguay,

Asociación Rural, Bolsa de Valores (the Stock Exchange), Cámara Nacional de Comercio, Cámara Nacional de Industrias, Cámara de Productos del País (an agricultural wholesaler's organization), Federación Rural.

⁹³ The Issue Department is one of the two major divisions of the central bank, (as opposed to the commercial banking section). The Honorary (i.e., non-salaried) Control Commission is provided for by the currently effective Organic Law of the Bank, no. 9,808, 2 January 1939 (1939 *Registro* 6-17). In addition to representatives of the Treasury Ministry, it is composed of gremio representatives from the Cámara Nacional de Industrias, Cámara Nacional de Comercio, the private banks, the foreign banks, and several representatives of the farm interests of the country. The Commission is chaired by the President of the Bank, and is appointed each four years by the NCG. The Commission was first organized by law 9,496, 14 August 1935 (1935 *Registro*, 508-524).

⁹⁴ The Honorary Export-Import Control Commission was established by law on 9 November 1934. It contained 15 members: 1 representing the Executive Power, 2 the Legislative Power, 1 the Cámara Nacional de Comercio, 2 the Cámara Nacional de Industrias, 2 the Uruguayan private banks, 1 the foreign banks, 1 the foreign chambers of commerce, 1 the Asociación Rural, 1 the Federación Rural, 1 the Confederación de Industrias, and 1 the consumers' cooperatives in the country. E. Acevedo Alvarez, *op. cit.*, 28. The Commission was modified by law 10,000, 10 January 1941 (1941 *Registro*, 39-41), and was eradicated by Executive Council decree in April, 1959. See *supra*, 94, note 83. The body is known generally as the "Export-Import Control Board."

The Commission was accused often of favoritism in the assignment of available foreign exchange among importers. *Visión*, December 5, 1958, 44, discusses this problem. The charges were fully supported by interviews.

⁹⁵ IUDOP, *La austeridad y los problemas económicos-familiares* (Montevideo, 1959), 64-67. Confusion often is created by the Uruguayan use of "jubilado" and "pensionista". The former is a retired person whose retirement is based on regular contributions to a retirement fund and who receives the payments due him in his own name. A pensionista receives more modest payments, often as the heir of a deceased jubilado, or as the result of reaching old age without other means of support. The jubilado who has worked long enough (depending on his employment, longevity, etc.) may retire at full pay. This work is cited as *Austeridad*.

⁹⁶ The Legislation referred to in this portion is discussed in detail in Chapter 5, *infra*.

⁹⁷ *Austeridad*, 64.

⁹⁸ See note 82, *supra* 94, regarding opposition to the Institute's operation. *El Bien Público*, January 18, 1958, discussed the shortcomings and needs of the Institute, as well as the opposition to its effective operation.

The gap between the city and the country has been observed and discussed by many writers. Fitzgibbon discusses it in some detail in his *Portrait*, 106-121. A more complete and detailed account is Julio Martínez Lamas' *Riqueza y pobreza del Uruguay* (Montevideo, Tipografía Atlántida, 2nd ed. 1946). The book is subtitled, "A study of the causes which retard national progress". A more up-to-date study is Aldo Solari, *Sociología rural nacional* (Montevideo, University of Montevideo, 2nd ed. 1958).

⁹⁹ An excellent example of employers having their costs raised by governmental fiat, but at the same time being denied the legal right to raise prices to compensate themselves, occurred in 1957. Late in the year, bakery and flour mill employees obtained higher wages under new contracts worked out by the appropriate wage Councils. The government refused to allow the bakers and millers to pass the costs on to consumers. The bakers refused at first to comply with the orders for higher wages, but were forced to comply. They retaliated at first by a semi-boycott of production, coupled with black-market prices on the limited production which they made available, and the government took no immediate action. Finally, the government ratified the new prices by Executive Council decree. *El Bien Público* (air edition), January 7,

1958. Later, *La Mañana* asked editorially if the government really cared about enforcing its own laws; reprinted in *El Bien Público* (air edition), January 28, 1958.

The corresponding action by labor is the slow-down or stoppage for a 24-hour period, especially in government offices. The practice of refusing to work for one or more hours per shift is common in private industry. In July, 1960, the approximately 3,000 employees in the Alparagatas plant (textiles, rope and twine, industrial wastes, etc.) adopted this tactic on each of the three daily 8-hour shifts. Management retaliated by a shut-down, and the strike was not settled for several months. The company explained that since their work was organized on a production line basis, operating on a 24-hour schedule, three hours of stoppage spotted during the day destroyed the value of the entire working day and curtailed productivity.

¹⁰⁰ The initial piece of legislation was law 12,353, 27 December 1956 (1956 *Registro*, 1311-1312). Its effectiveness was postponed by law 12,384, 1 March 1957 (1957 *Registro*, 348-349), until June 1, 1957. By mutual understanding it was not enforced, however, and law 12,489, 2 January 1958 (1958 *Registro*, 12-13) extended the non-enforcement until July 1, 1958. Finally, law 12,590, 23 December 1958 (1958 *Registro*, 1428-1434), reenacted the original legislation with the incorporation of the views of the employers. A decree by the Ministerio de Industrias y Trabajo, 23 December 1958 (1958 *Registro*, 1450-1451) establishes an advisory committee to set rules for enforcing the law. The committee is composed of the Director-General of the *Instituto Nacional de Trabajo*, presiding; and delegates of the Cámara Nacional de Comercio, Asociación Comercial del Uruguay, the Cámara Nacional de Industrias, the Federación Uruguaya de Empleados del Comercio y la Industria, the Confederación Sindical del Uruguay, and the Confederación General de Trabajo. The worker groups include all ideological positions, from the moderate to the Communist.

¹⁰¹ The text of the bill is published in *El Día*, March 11, 1960. The appropriateness of enacting a labor-regulating law as a rider to a budget was debated widely. *El Debate*, March 18, 1960, took cognizance of the question, and argued that it has been common to find riders of many types in budget laws, and cited examples for 1935, 1936, 1950 and 1957. The 1960 budget was accepted by the General Assembly after final passage by the Chamber of Representatives on November 30, 1960. *El Bien Público* (air edition), December 6, 1950.

¹⁰² Interview with Representative Dardo Ortiz (UBD), August 11, 1960.

¹⁰³ These advertisements in Uruguay normally are merely public notices of decisions, and are addressed to the general public, much in the way in which such a thing would be done in the United States. The contrast with Mexican usage is interesting, and illustrates graphically the difference in political and social structure between the two countries. All such advertisements in Mexico appear in quarter to full page size, and are addressed invariably to the President of the Republic.

¹⁰⁴ At the time of the visit of former United States presidential candidate Adlai Stevenson to Montevideo, in March, 1960, an invitation was extended to him by Joaquín Martínez Arboleya, a wealthy motion picture producer who was holding a very elaborate dinner as a means of social lobbying of the members of the Executive Council and key members of the legislature. Stevenson was not warned in advance of the nature of the event and attended, but left comparatively early when its nature became apparent. This was only a more impressive example of a typical practice, and all parties in the country recognized it as such, fortunately for Mr. Stevenson. General amusement occurred, however.

¹⁰⁵ Interview with Representative Manuel Flores Mora (list 15), March 29, 1960. Sr. Flores pointed out that men of wealth vote for both the Colorado and Blanco parties, and are known to contribute to the campaign funds of both parties. Blanco candidates generally are a good deal more wealthy than Colorados, however. He pointed to a law regulating corporations which had been considered during the 1955-1959 period in the Chamber of Representatives. None of the Colorado deputies was a stockholder in any company, while nearly all Blanco deputies held some shares. At the time of inauguration, Dr. Pedro Zabala, a ruralista Councillor, declared a personal worth of 6,000,000 pesos, while ruralista Faustino Harrison declared personal worth of 7,000,000. He also had the impression Nardone declared the possession of great

wealth, but was unable to supply figures. Among UBD candidates for the National Council was Dr. Alberto Gallinal Heber, who is known as the wealthiest man in Uruguay.

¹⁰⁶ See particularly *Acción*, March 4, 1960, for a statement of these views.

¹⁰⁷ In April, 1950, this writer witnessed a meeting on the plaza in front of the Palacio Municipal (city hall) of Montevideo. It was attended by approximately 3,000 persons, and there were a band and several choruses which offered entertainment. The meeting was sponsored by the Soviet-Uruguayan Friendship Institute, and the speaker's platform was featured by portrait banners of Lenin, Stalin, and Eugenio Gómez, then party leader in Uruguay, which were approximately 20 feet high. The meeting remained in the one location, was given a small number of police for protection and in order to keep traffic moving around the edges of the crowd, since the site fronts on the city's main street.

Similar meetings in 1960 always were sponsored by the party in conjunction with student, pensioner, and labor organizations which, in most cases, are merely "front" organizations. They moved from the point of formation to a pre-arranged location for speeches and other formal acts, were guarded by heavy police contingents (and, often enough, troops as well), and occasionally resulted in violence.

¹⁰⁸ This phenomenon is discussed in some theoretical detail by William Kornhauser in his *The Politics of Mass Society* (Glencoe, Ill., Free Press, 1959), 67-73.

¹⁰⁹ The student disorders at the time of the enactment of the Organic Law of the University of Montevideo is described in detail in *El Bien Público*, (air edition), October 7 and 14, 1958. This law is no. 12,549, 16 October 1958 (*1958 Registro*, 1135-1152); it gives the students considerable control of University administrative, curricular, and tenure policy, and grants the University considerable autonomy.

¹¹⁰ *El Bien Público* (air edition), January 16, 1961. The government's position remains that any group has a legal right to demonstrate and secure the facilities of the parks and streets for open meetings, with or without loudspeaker and lighting equipment, provided the appropriate permits are sought beforehand and the public peace is not breached. Interview with commissioned police officers at a joint Cuban-Student-Labor demonstration, August 3, 1960.

¹¹¹ Interview, Luis Ferreira, Director of the Instituto Uruguayo de Opinión Pública, June 12, 1960. Sr. Ferreira recalled that at the time of the Terra coup of 1933, his father had reproached him and his student friends at the University for failure to act. They had pleaded the overwhelming force of the dictatorial government as excuse. The older man replied that no revolt against the established authorities ever succeeded if based in Montevideo, unless with the support of the President, and that they would have to go into the hinterland to plan.

It is useful to note that such an attempt to overthrow the Terra government from the rural areas was made in 1935, and failed completely. *Executive Power*, 28-29; 89, note 42.

¹¹² Johnson, *op. cit.*, writing in 1958, makes no mention either of Nardone or his movement. Fitzgibbon in *Portrait*, 84, calls the LFAR "insignificant but . . . spectacular", and refers to Nardone only as "one Chicotazo", Nardone's self-given nickname.

¹¹³ Robert E. Scott, in *Mexican Government in Transition* (Urbana, University of Illinois Press, 1959), centers his analysis of the formation of power and political parties in Mexico on this hypothesis. See also George I. Blanksten, "Political Groups in Latin America", 53 *The American Political Science Review* (March, 1959), 106-127.

¹¹⁴ Roughly 9% of Uruguay's population is employed directly by the central government. Approximately 1.8% additional is employed by the autonomous government-owned businesses. *Incógnita*, 10-14.

¹¹⁵ Johnson, *op. cit.*, p. 50-52; Maj. Theodore Wyckoff, "The Role of the Military in Contemporary Latin American Politics", 13 *Western Political Quarterly* (Sept. 1960), 745-763, discusses the innocuous role of the Uruguayan army in the country's current politics.

¹¹⁶ The details of these developments are sketched in *Coup*, 303-306.

¹¹⁷ This group was list 400, headed by Dr. Eduardo Rodríguez Larreta; it adopted the name, "*Reconstrucción Blanca*", and elected its head as a Senator for the period 1955-1959. Dr. Rodríguez Larreta had been Foreign Minister in 1945-46, and was the only such officer who gave the United States moral support when in 1946 it sought Latin American acceptance of its efforts to censure Juan Perón, the Argentine dictator, for his affiliations with Hitler during the second world war.

¹¹⁸ In 1946 the party received 5,081 votes for its senatorial candidate; in 1950 it received 4,715 votes. In neither case did it elect a candidate to any office.

¹¹⁹ This was not the first opposition to develop against José Batlle. His election to the presidency in the General Assembly's joint session in February, 1903, had been opposed by two Colorado factions as well as by a strong Blanco minority. Batlle was able to capture the support of a party of the minority, as well as enough Colorado votes, and so obtained a majority. 6 *Obras Históricas*, 154-156.

¹²⁰ The conservative Colorados generally employed the slogan, "*Para Servir al País*", in order to serve the country; this was used in 1938, 1942, 1946 and 1950. In the latter three elections, and in 1954, they also employed the slogan, "*Libertad y Justicia*", Liberty and Justice. Other short-lived slogans appeared from time to time.

The analysis of politically experienced observers in Uruguay is that Colorado conservatives went in large part to the *Unión Demócrata Reformista*, a conservative, personalist, anti-Executive Council party which appeared in 1958. It elected Dr. Alberto Manini Ríos to the Chamber of Representatives. Manini Ríos supported Terra in the coup of 1933, and has remained active in conservative Colorado circles ever since.

¹²¹ *Portrait*, 119 and 135, refers briefly to the modest nature of the land reform policies prior to Jose Batlle's death. The general ineffectiveness of land distribution programs during Batlle's control is discussed in greater detail in Solari, *op. cit.*, 284-291.

No retirement program extending to rural and domestic workers was organized until 1950. Law 11,617, 20 October 1950 (1950 *Registro*, p. 1256-1280), organized the Caja de Jubilaciones y Pensiones de los Trabajadores Rurales y Domésticos y de Pensiones a la Vejez. Family allowances for rural workers were begun by law 12,157, 22 October 1954 (1954 *Registro*, 973-976). Law 10,809, 16 October 1946 (1946 *Registro*, 1143-1150), established the general principle that rural workers have a right to adequate housing and adequate minimum wages for their labor.

¹²² The mystique of José Batlle is explored with much skill in Fitzgibbon's *Portrait*, 122-136. For a much more comprehensive picture of the man and his programs see Giudice, *op. cit.* The program of the battlista wing of the Colorado party is spelled out in a 78-plank statement in 7 *Obras Históricas*, 136-142.

¹²³ Luis Batlle was first elected to the Chamber of Representatives in 1925 as a member of José Batlle's personal list. In 1928 he was reelected; this time the list was headed by José Batlle himself. In 1931, he was again reelected, this time within the dual lists "14" and "15". After the Terra coup of 1933, he did not seek office until 1942, but in that year was elected to the Chamber again as a candidate in list "15". In 1946, the year when he was elected Vice-President under Berreta, he was also a candidate for the Chamber at the head of list "15". 1 *Elecciones*, 36, ff.

¹²⁴ Giudice, *op. cit.*, 29.

¹²⁵ The slogan was "*Por una política de Partido*". 1 *Elecciones*, 528.

¹²⁶ It is generally believed that Luis Batlle, even while President, informally encouraged illegal strikes for improved wages or working conditions. Interviews, 1950 and 1953. As President, he could assure that his own representatives on the tripartite

Wage Councils would be sympathetic to the workers' positions. Employers, interviewed in 1960, indicated that there had indeed been greater sympathy for union views during this position by Executive representatives on the Councils than was true after the Blanco victory.

¹²⁷ 5 *Obras Históricas*, 395-396, and 493, discusses the degree of military control over the elections of 1888 and 1890.

¹²⁸ *Fortnightly Review*, September 26, 1959.

¹²⁹ *El Debate's* memorial edition on the first anniversary of Herrera's death, April 8, 1960, was 64 pages, as against the usual 12 to 16.

In 1960, funds were being collected for an enormous memorial to be erected in José Batlle's honor, on a promontory overlooking the coast near the Parque Hotel and Playa Ramírez. The estimated cost of the structure will be about \$500,000.

¹³⁰ 1934 constitution, art. 163 (1), refers to the requirement that the Ministers must be able "to count on the support of their parliamentary group . . ." The 1942 constitution, art. 162, softens this somewhat, by stating that the Ministers must have the support of the parliament.

¹³¹ Interview, Dardo Ortiz, UBD Representative, August 11, 1960, stated that the party "whip" was used in December, 1959, in order to secure passage of the Monetary Reform Law of the 17th of the month. The matter was very close and only Blanco members voted for it. The same was true of the final passage of the Budget in the Chamber on November 30, 1960. *El Bien Público* (air edition), December 6, 1960.

¹³² Earlier in 1960, he had made it impossible for Pedro Berro to remain as Minister of Interior because of his unremitting attacks and charges of corruption, malfeasance in office, and abuse of power. Berro had discussed his desire to resign prior to Nardone's assumption of the presidency on March 1, 1960, but it was not accepted until April 26, because nobody could be found who would take the job under the circumstances. Berro's principal crime in Nardone's eyes was that he had been the architect of the intra-Blanco agreement which facilitated the organization of a government in March, 1959, in time for the inauguration of the new governmental period. After Herrera died, Nardone had thought Berro an easy victim, but this did not appear to be the case. Berro left on May 15 for a trip to Europe; it was announced as a vacation, but in fact it appears to have been a fund-raising venture, in order to salvage the country's financial structure. The trip was moderately successful.

¹³³ Nardone's supporters in the faculty of the University of Montevideo have organized the "*Centro de Estudios Económicos General Artigas*". Its intent has been to develop economic and social programs appealing to lower-class farmers as well as to the traditions of the colonial and pre-urban period. *Visión*, February 27, 1959; interview, Jorge Sierra, Manager, Radio Rural, July 4, 1960.

¹³⁴ *El País*, March 1, 1959, quotes speakers at the "cabildo abierto" of the preceding day, on the plaza in front of the Palacio Municipal. Also *Diario Rural*, March 7, 1959.

Nardone continues to try to give the impression that his movement is essentially lower-class in nature and opposed to all wealth. In 1951 he split his movement sharply between the "*galerudos*", or "big boys" who figuratively look down on the lower classes from their balconies (*galerías*), and "*botudos*" or wearers of *botas*, countryman's boots. Since this split, Nardone's professed positions have been restated frequently on his radio program. It was therefore a cause for some hilarity on the part of Montevideo's anti-Nardone newspapers when 103 Cadillacs were counted at the annual "*cabildo abierto*" of the LFAR at Durazno, April 23-24, 1960. All bore license plates from towns other than the meeting place.

¹³⁵ Dr. Pedro Zabalza and Faustino Harrison, Nardone's running mates for the NCG in 1958 within the Herrera-Nardone sublema, were obtained and used in this way. Other regular party leaders have been approached, but with less success.

¹³⁶ The term "cabildo abierto" is derived from the name given to the comparatively rare public meetings of the colonial town councils in the Spanish American area. Most municipal government business was transacted in normal closed meetings. Open

meetings were called only when decisions of great importance were to be made. "Cabildos abiertos" were called in Buenos Aires and Caracas to vote the decisions to break with the Spanish puppet government of Napoleon in 1810, for example. These decisions led ultimately to national independence.

¹³⁷ *El País*, April 25-26, 1960.

¹³⁸ VOTING SHIFTS BY COLORADO SUBLEMAS, 1950-1958.

Year	Location	14	15	Conservatives	Total, all parties
1950	Montevideo	62,424	70,972	46,407	328,187
	National	150,930	161,262	120,949	823,829
1954	Montevideo	63,919	112,304	3,047	349,448
	National	180,164	254,648	9,292	879,242
1958	Montevideo	62,870	80,926	4,202	408,509
	National	154,110	215,881	8,514	1,005,362

¹³⁹ This interpretation is justified only in part. *Supra*, note 121.

¹⁴⁰ Haedo is the author of a typically Latin American, adulatory, polemic on Herrera, *La caída de un régimen* (Montevideo, 1936).

¹⁴¹ Nardone claims that as many as 120,000 voters follow his recommendations. *Tiempo* (Mexico City), December 15, 1958. Carlos Quijano, Director of *Marcha*, in an interview, June 24, 1960, estimated the figure at not larger than 59,000.

¹⁴² Rama, "La crisis política uruguaya", *op. cit.*, states the case for the pessimists with considerable force, although he concludes that there is still a chance that intelligence will win out over vested interests.

¹⁴³ The biweekly political humor magazine *Lunes* is the best current example. Its staff is composed of practicing journalists in Montevideo, but its Director is a member of the UBD newspaper *El País*. By the standards of Chile and Argentina, *Lunes* is relatively mild; its vigor and bluntness, as well as its unashamed salaciousness, are something new in Uruguayan journalism. Nardone and Haedo are its favorite targets, with Luis Batlle a close third.

¹⁴⁴ Nardone did not offer running mates at the legislative level in the 1958 election, presumably because nobody genuinely expected the Herrera-Nardone slate to win. Therefore, Nardone's strength is confined to the NCG, and he controls relatively little patronage. His adamant refusal to accept this situation led to a two-year delay in the appointment of members of Boards of Directors of the government businesses, and of appointive courts whose members serve only four-year terms. See *Marcha*, November 18, 1960.

Because of this lack of patronage, there has been some doubt that Nardone can continue to control his supporters during the four-year period until the 1962 election. This is regarded widely as a partial explanation of the vigorous nature of his radio addresses.

¹⁴⁵ *El Bien Público* (air edition), December 6, 1960.

¹⁴⁶ John O. Hall, *Public Administration in Uruguay*. (Montevideo, Institute of Inter-American Affairs, 1954), is a critical study, stated in a surprisingly gentle tone, of Uruguay's faults in the field of national public administration. It incorporates a number of years of serious study by a specialist in the field, but it has been ignored completely by all but a few students of the discipline. Interview, Dagoberto Balarini, official of ANCAP, July 29, 1960. Sr. Balarini and Aníbal Boccardi are the principal movers in the Instituto Uruguayo de Administración Pública, a private organization which grew out of their experience as aides and research assistants to Mr. Hall. The work was published simultaneously in Spanish as *La administración pública en el Uruguay*. Footnote citations refer to the Spanish edition, hereafter cited as *Administración*.

¹⁴⁷ *New Orleans Times-Picayune*, February 2, 1961.

¹⁴⁸ Sigmund Neumann, "Toward a Theory of Political Parties", 6 *World Politics* (July, 1954), 549-563. Neumann analyzes several recent books in this review article. Especially relevant to discussion of the indicated question are Maurice Duverger, *Les Partis Politiques* (Paris, Librairie Armand Colin, 1951), and G. E. Lavau, *Partis Politiques et Réalités Sociales* (Paris, Librairie Armand Colin, 1953).

CHAPTER IV

¹ Articles 149-157 of the 1952 constitution deal with the Executive Power. Article 152 states the requisite personal qualities of candidates; article 150 provides that at the time of election of members, 2 substitutes will be elected for each member. Thus, for example, when Pedro Zabalza resigned in 1960, a list of persons was readily available for selection without the need for a special election; the appointee was Dr. Alberto Artagaveytia, who had been elected second substitute. Although Artagaveytia was a Blanco, he was a long-time herrerista; Zabalza had been a ruralista, however, and the effect was to change the balance within the National Council.

² An excellent example of this was César Batlle's demand that a bill for subsidy of newsreels be reconsidered. It had been voted during his absence, one morning about 2 a.m.; he had left at midnight in protest at the late hour. Later, he claimed the Blanco majority had put the bill over on him. *El Día*, April 2, 1960.

³ *El Bien Público* (air edition), December 6, 1960, concerns the promulgation of the 1960 budget. *Ibid.*, February 7, 1961, discusses the Council meeting of February 1st, in which a conflict between Foreign Minister Homero Martínez Montero and his subsecretary, Dr. Mateo Margarinos de Mello, was the principal agenda item. The conflict was principally due to UBD demands on the herreristas for the post when Martínez resigned.

The Blancos were absent habitually when the Colorados were in the majority and had similar political problems, or when vital bills were promulgated as law.

⁴ Luis Batlle long has maintained that the Council should have five members, all of one party. His supporters argue the Council executive is necessary so that it would be possible to give an executive position to an ambitious or unscrupulous man and still not expose the country to the logical consequences of his actions. The opposition argues this actually begs the point—as indeed it does. The voters should be made to choose good from bad, say the opposition.

⁵ Justino Zavala Muniz says of Lorenzo Latorre, "In the official world . . . [the dictator] presided over the ceremonies of the Catholic cult and loaned them the warlike apparatus of the army as their decoration. . . . A peace of suppression and death extended itself from the city and over the fields. . . . Enveloped in his military cloak, Colonel Latorre ruled it, a sword in one hand, a votive candle in the other." *Op. cit.*, 20.

Of Máximo Santos, Zavala says: ". . . haughty and fatuous, gross in his appetites and ambitious, dreaming of imperial pomp, hating all charitable thought, villifying all public and private virtue. The nation was his estancia . . . the army his Praetorian guard, the government palace a seraglio". *Ibid.*, 34-35.

⁷ *Executive Power*, i.

⁸ The legislative process is discussed in articles 133-146 of the constitution.

⁹ The budget process is described in articles 214-230.

¹⁰ The responsibilities and powers of the Executive Power under the 1942 constitution are discussed in some detail in this writer's *Executive Power*, 26-58. The bulk of these responsibilities and powers are unchanged in the present constitution.

¹¹ Article 168, par. 17: The National Council may "Take prompt measures for security in serious and unforeseen cases of external attack or internal commotion, reporting, within 24 hours, to the General Assembly in joint session or, in the interim, to the Permanent Commission, regarding what has been done and the reasons therefore. . . ."

"In regard to individuals, prompt measures for security authorize only their arrest or movement from one point in the national territory to another, provided they do not choose to exile themselves. These measures, as well as the others, must be reported, within 24 hours after having been taken, to the General Assembly in joint session, or, in the interim, to the Permanent Commission. . . ."

In both cases, it is provided that the Assembly (or Permanent Commission) may annul the measures at its option.

¹² Article 168, par. 10.

¹³ This power is retained by the Assembly in the 1952 constitution in article 85, par. 17.

¹⁴ 5 *Con. Nac.*, 164-167.

¹⁵ Articles 122 and 176, constitution of 1952.

¹⁶ *Executive Power*, 20-22.

¹⁷ *Marcha*, November 18, 1960. In early June 1956, Dr. Armando Malet resigned as Finance Minister on the issue of the Income Tax proposal. Dr. Amílcar Vasconcellos had served June 5-11, spending the entire time in an unsuccessful effort to obtain the desired parliamentary commitment. On June 12th, Ledo Arroyo Torres assumed the post, after seeking unsuccessfully to obtain parliamentary commitment to support this proposal. *Hispanic American Report*, June, 1956. *1956 Registro*, 5.

¹⁸ Interviews: Senator Eduardo P. Bottinelli, March 30, 1960; Deputy Gervasio Domenech, August 3, 1960.

¹⁹ Azzini previously had been a Professor of Economics (Accounting) in the Institute of Economics of the University of Montevideo. Azzini is a rather shy, slight man, but he became increasingly confident in his manner after a number of parliamentary interpellations were weathered successfully.

²⁰ Decree of the Minister of Hacienda, 5 June 1955 (*1955 Registro*, 506-508).

²¹ *El País*, May 24, 1960. Harrison's statement is contained in his press release, "Sobre la necesidad de crear el Ministerio de Economía", 3 p., mimeographed.

²² Members of the committee were Raúl Ibarra San Martín, Accountant General of the Republic; and Professors Aparicio Méndez, José Pedro Aramendia, Héctor Gros Espiell; and Daniel Rodríguez Larreta, publisher of the newspaper *El País*.

²³ John O. Hall, *Un estudio de las funciones de la Secretaría del Consejo Nacional de Gobierno del Uruguay* (Montevideo, Dec. 1955). The study was prepared by Hall at the request of Dr. Justo J. Orozco, secretary of the Council, in his capacity as Adviser in Public Administration, affiliated with the Institute of Inter-American Affairs.

²⁴ Interview, Anibal Boccardi and Dagoberto Balarini, of ANCAP, August 10, 1960.

²⁵ Constitution of 1952, articles 94-96.

²⁶ *Ley complementaria de la de Elecciones*, 22 October 1925, (*1925 Registro*, 471-477). The law is explained in some detail in the report of the Special Committee on Electoral Reform of the chamber of Deputies, published in the handbook of the Electoral Court for the 1946 elections, 154-162. See also Fabregat, *op. cit.*, 72-73.

²⁷ Law 12,183, 11 January 1955 (*1955 Registro*, 34-35). The law has been attacked by many opposition politicians in demagogic terms, although it is observed that the individual's view changes almost immediately if he wins office. The Socialist party's 1958 campaign was in part built around a booklet illustrated with the photographs of autos imported by Colorado and Blanco legislators.

The law is a financial boost to all elected officials. The cars thus imported reached Uruguay at little over the market price in the United States. Cars entering the market after payment of tariffs and surcharges, as well as the normal dealer's markup, are very high priced. In early 1960, to take some typical examples, deluxe Fords, Chevrolets and Plymouths were offered for sale for the peso equivalent of \$10,500 to \$11,000.

Numerous cases exist of newly-elected legislators being loaned the money by a dealer, with which to import a car. At the end of the two year period, the dealer buys the car from the legislator at the market price, substracting his loan. The legislator makes about \$5,000 to \$7,000 on the deal, while having a car without personal expense during the period. Interview, Jorge Sierra, Director of Radio Rural (Nardone's radio station), June 15, 1960. The general public clearly considers the law an abuse of privilege, as shown by interviews. IUDOP, *Encuesta Los Sucesos del Año, 1956* (Montevideo, 1957), 3-4.

²⁸ A principal example of the success of this approach is Alejandro Zorrilla de San Martín, who is a nephew of the Uruguayan epic poet, José Zorrilla. He is a

Deputy for the Department of San José, and is known for the card file of pension applicants which he carries in his car at all times. He is reported to purchase jeeps rather than passenger cars with his biennial privilege, in order better to reach the interior of his Department.

²⁹ Interview, Gervasio Domenech, August 3, 1960. The UBD demanded of all successful candidates for Deputies a cash commitment of 10,000 pesos as well as an added 15% of all salaries paid. Per article 117 of the constitution, Deputy Domenech's salary for the period 1959-63 was set by the preceding Assembly at 2,200 pesos monthly.

No occupation analysis of the legislators has been made; the estimate of a majority being lawyers is Dr. Domenech's. The activity of medical doctors in politics is almost traditional in Uruguay. Montevideo is the locale of nearly all courts in Uruguay, so that a practice for lawyers who are well-placed in politics is generally comparatively lucrative.

³⁰ Interview, Deputy Dardo Ortiz, August 11, 1960.

³¹ *2 Reforma* 1951, 1151-1159.

³² *El País*, March 27, 1960. *El Bien Público* (air edition), January 7, 1957, editorially castigated the Deputies for their carelessness in consideration of committee reports which were inadequately or unintelligently reported or prepared.

An almost typical illustration can be offered. Law 12,100, 27 April 1954 (*1954 Registro*, 328-344), established certain rules concerning rent contracts and evictions. Law 12,116, 2 July 1954 (*Ibid.*, 561-563) enacted five individual substitute provisions for the earlier law. This may be interpreted either as careless drafting or failure to consider adequately the demands of pressure groups.

³³ *El País*, March 18, 1960.

³⁴ Interview, Deputy Gervasio Domenech, August 4, 1960.

³⁵ Constitution of 1952, article 94, par. 2.

³⁶ Military and Naval ranks are as follows:

Army and Air Force

General
Coronel
Teniente Coronel
Mayor
Capitán
Teniente primero
Teniente segundo
Alférez

Navy

Contra-Almirante
Capitán de Navio
Capitán de Fragata
Capitán de Corbeta
Teniente de Navio
Alférez de Navio
Guardia de la Marina
Aspirante

³⁷ A *fiscal letrado* is, in rough translation, a government attorney who has graduated from a law school, and holds the title of Doctor of Laws. These officials are appointed under article 163, par. 13, of the 1952 constitution.

³⁸ Article 60 of the constitution provides that "career employees" (i.e., "budgeted", or whose jobs are listed individually in the budget appropriations), may be discharged only by means of special permission granted to the Executive Council by the Senate.

³⁹ Article 163, par. 10.

⁴⁰ The simple majority vote against the appointment by the Senate has a suspensive effect on the appointment. The Executive Council may affirm the appointment if it wishes; this has the same effect as a new appointment.

⁴¹ Articles 199 and 200. While the Senate's veto on the power to remove existed under both the 1934 and 1942 constitutions (article 191 and 183, respectively), the present constitution has added the 90 day time limit. If the Senate takes no action, it is presumed to have given permission.

⁴² The procedure in the Senate involves a preliminary discussion by the committee on Administrative Affairs. Following this, a full session of the chamber discusses the matter in secret. Senate rules 95-97 govern this procedure. Uruguay, Senado, *Reglamento de la Cámara de Senadores, Marzo 30 de 1955* (Montevideo, Editorial Florensa y Lafón, 1955).

⁴³ Senate, rule 92 provides that bills are sent to committee after "first reading" by support of a simple majority vote in the chamber. Rules 36 and 135 provide similar procedures for the chamber of Deputies. Uruguay, Cámara de Representantes, *Reglamento aprobado el 29 de Junio de 1955*. (Montevideo, 1955.)

Committees meet regularly once a week during the regular period of sessions. *El País*, March 18, 20, 22, 29, 1960. Special meetings could be held on the call of committee chairmen when needed, provided the committees had so resolved. This was employed for the Monetary Reform bill in 1959 and for the Budget in 1960.

⁴⁴ Deputies, rule 112, lists the committees: International Affairs, Internal Affairs (of the chamber itself), Constitution and Codes, National Defense, Social Defense, Stock Raising and Agriculture, Treasury, Hygiene and Public Assistance, Industry and Commerce, Public Instruction, Labor Legislation, Legislation and Administration, Public Works, Budgets, and Social Welfare.

⁴⁵ Deputies, rule 125. Special committees are appointed by the President of the chamber on the petition of 25 Deputies.

⁴⁶ Deputies, rules 113, 119, 126. Special committees and investigating committees may ask for extensions of time for their reports, in a petition presented by vote of the committee majority to the President of the chamber.

⁴⁷ Deputies, rules 114 and 115. Rule 114 provides that before an investigating committee may be appointed, there shall be a three-member "Preinvestigating Committee" appointed to determine the need for the investigation. An example of such action developed regarding a charge that customs police were not enforcing the law regarding importation of autos. The preinvestigating Committee rejected the claim. *El País*, March 26, 1960.

Article 120, constitution of 1952, states, "The Chambers may appoint Parliamentary Committees for Investigations or to obtain data for legislative purposes."

⁴⁸ Senate, rules 68 and 69. Rule 69 names the committees: Constitution and Legislation, International Affairs, Treasury, Development, Budget, Public Instruction, Social Plans and Assistance, Administrative Affairs, National Defense.

⁴⁹ Senate, rules 70 and 71. Investigating and special committees are distinctly temporary, and exist only until their reports have been acted upon. The size of the membership is determined by the *mesa* (Presidency) of the Senate.

⁵⁰ There are no special provisions regarding reports by the Investigating Committees of the Senate, as in the Deputies.

⁵¹ Interview, Deputy Dardo Ortiz, August 11, 1960.

⁵² Interview, Gumercindo Collazo, Permanent Secretary of the chamber of Deputies, August 4, 1960. Law 12,186, 13 April 1955 (1955 *Registro*, 423-426), deals with the establishment of an investigating committee, and with the special powers conferred on it to assist in obtaining evidence concerning customs fraud. Also, Law 12,191, 12 May 1955 (1955 *Registro*, 476-477), regarding powers of a committee to examine the profits of importers of automobiles. The first law contains provisions regarding the taking of testimony under oaths, penalties for perjury, and rules prohibiting the concealing of evidence.

⁵³ Law 12,186, cited, articles 19 and 20.

⁵⁴ Constitution of 1952, article 66: "No parliamentary or administrative investigation concerning irregularities, omissions, or crimes, may be considered concluded while the accused official has not been able to present his denials and develop his defense."

⁵⁵ 525 *Diario de la Cámara de Representantes*, January 4, 1958. The committee had been authorized by Law 12,336, 20 November 1956 (1956 *Registro*, 1192-1193).

⁵⁶ The foreign-owned meat packing plants (*frigoríficos*) were among the most important exporters in the country. The committee report stated that they had engaged in major frauds in order to avoid payment of taxes, and to conceal some of their foreign exchange operations from the control offices in the Banco de la República.

Another example of investigation of practices in international trade of commodities has been that regarding the withholding of wool from the Montevideo market by raisers in order to force the government's hand on controlled prices. Law 12,294, 5 July 1956 (1956 *Registro*, 670-673), established this committee and conferred powers on it.

During the meeting of the frigorífico committee, *El Bien Público* commented editorially in a critical vein. Most such committee investigations have produced more heat than light, and far too many had been biased by the selection of personnel with known positions. It was felt the committees should try to act in as judicial and objective a manner as possible. (Air edition) March 25, 1958.

⁵⁷ Deputies, rule 15, pars. 1 and 3, and unnumbered paragraphs.

⁵⁸ Deputies, rule 16.

⁵⁹ Senate, rules 71 and 74.

⁶⁰ Deputies, rule 15, par. 2.

⁶¹ *El Bien Público*, air edition, March 10, 1959.

⁶² Deputies, rule 129.

⁶³ Interview, Deputy Dardo Ortiz, August 11, 1960.

⁶⁴ Senate, rules 89-92, 123. Deputies, rules 36, 136.

⁶⁵ Deputies, rule 135; Senate, rule 28, pars. 2 and 6.

⁶⁶ In the Senate, the President is able to assign bills to committee even though there is no quorum at the meeting. This is the only action possible in such a case. After the announcement of the assignments, the chamber adjourns. Rule 49.

⁶⁷ Deputies, rule 123. Senate, rule 79. Interview, Senator Luis Troccoli, March 17, 1960.

⁶⁸ Interview, Senator Troccoli.

⁶⁹ Interview, Gumercindo Collazo, August 4, 1960. Investigating committees often are authorized to employ special or technical staff members. Thus, the customs fraud committee established by law 12,186, 13 April 1955, specifically was authorized to employ "experts".

⁷⁰ Senate, rules 81-84. Deputies, rule 131. In the chamber of Deputies, minority reports are rare, especially when the minority also appoints a spokesman to state its position orally. Interview, Deputy Dardo Ortiz, August 11, 1960.

⁷¹ Interview, Senator Eduardo Bottinelli, March 30, 1960. Senator Bottinelli was designated reporting member for the Hacienda (Finance) Committee in regard to the Monetary Reform bill in December, 1959. On the basis of certain representations made in the committee hearings by Finance Minister Azzini, Bottinelli undertook this job and was very important in securing its passage. When in 1960 it became apparent that the law would not be administered as Bottinelli had expected, he became a vigorous adversary of Azzini.

⁷² Deputies, rules 63-75 relate to both order of debate and means by which debate may be interrupted.

⁷³ To close debate, by Deputies, rule 25, there must be a two-thirds vote by the members present. There is no specific provision in the Senate.

⁷⁴ Deputies, rules 150-151, provide that there shall be no reserved seats in the galleries for the public. The President has the authority to order the galleries cleared in case of disturbances. Senate rules 244-245 are briefer, and simply provide that the galleries shall be open to all, without distinction.

⁷⁵ Senate, rule 15, par. 8.

⁷⁶ Senate, rules 98, 99, 107, 108.

⁷⁷ Senate, rule 111.

⁷⁸ Senate, rules 147-148. Reporting members and the authors of bills may speak as often as they feel necessary.

⁷⁹ Senate, rule 149. The author and the committee's reporting member may reply to all speakers; rule 175. Ministers are considered as authors on government bills; rule 177. Provisions demanding relevance, rules 182-185.

⁸⁰ Senate, rules 141-142. "Little importance", rule 143. Pensions, rule 141. par. 2.

⁸¹ Senate, rule 145.

⁸² Senate, rules 193-194.

⁸³ Deputies, rule 42.

⁸⁴ Deputies, rule 43.

⁸⁵ Deputies, rules 19, 20, 25.

⁸⁶ Deputies, rule 53.

⁸⁷ Deputies, rule 55.

⁸⁸ Deputies, rule 72.

⁸⁹ Deputies, rule 63, par. 2.

⁹⁰ Deputies, rule 68.

⁹¹ Deputies, rule 59.

⁹² Deputies, rules 77 and 101 (N).

⁹³ Deputies, rules 28 and 87 (D).

⁹⁴ Deputies, rule 83.

⁹⁵ Senate, rule 188. The rule provided originally for the use of written ballots as well, for the election of the presiding officer of the chamber. This provision is regarded as abandoned under the terms of articles 94 and 106 of the 1952 constitution, which provide that the President of the Senate shall be the leading name on the most-voted list for the Senate in the quadrennial popular election.

In spite of this understanding, the presiding officers of the Senate rotated annually in the 1959-1963 term, since the understanding of February 28, 1959, concluded among various Blanco sublemas just prior to the inauguration of the new government, provided that the Presidency would be rotated among the various groups. Therefore, the voting provision was employed, although the outcome was not in doubt because of the Blancos' control of the chamber.

⁹⁶ Constitution of 1952, articles 133-136, provide for procedures in the enactment of bills by the two chambers.

⁹⁷ Constitution of 1952, articles 143-144.

⁹⁸ Constitution of 1952, articles 137-140.

⁹⁹ Constitution of 1952, article 141. See the discussion of the entire legislative process in 4 *Con. Nac.*, 163-210.

¹⁰⁰ Constitution of 1952, article 104, par. 3. The agenda of the special session shall be limited to the topics listed in the call. The call may be only "for grave and urgent reasons". Article 109 provides that no annual or special session may convene unless half of the members are present. If this does not occur on the day for the convocation which is designated by the constitution, the minority is authorized to meet to compel the absent members to attend under penalties which are to be defined by the members present.

Deputies, rules 9-17 specify procedures to be followed in the opening meeting of each session. Senate, rules 39-44 contain similar provisions.

¹⁰¹ Constitution of 1952, article 127. Article 128 provides that a substitute will be elected for each titular member, at the same time.

¹⁰² Constitution of 1952, articles 129-130.

¹⁰³ Constitution of 1952, article 168. The Commission may act on behalf of the Senate in requests to discharge employees (par. 10); for promotions and military appointments (par. 11); for appointment of diplomats (par. 12). It may act for both chambers in regard to the Executive Power's use of emergency powers (par. 17). See discussion, 4 *Con. Nac.*, 132-161.

¹⁰⁴ Constitution of 1830, articles 27-28. Constitution of 1918, articles 26-27. A constitutional amendment dated October 27, 1932, changed the arrangement for Senatorial election to the use of PR and the double simultaneous vote. See Bandera, 728. This was a part of the political manipulation by anti-Herrera forces in that year, and led, in concert with other causes, to the coup of March, 1933.

¹⁰⁵ Constitution of 1934, article 85. Constitution of 1952, article 94.

¹⁰⁶ Interview, Deputy Gervasio Domenech, August 3, 1960. The rules of the UBD specifically provide for expulsion under these circumstances. Herrerista party rules also include such provisions, but other sublemas are less formal in this matter. The Blanco members in the chamber of Deputies voted for the Monetary Reform bill without exception, while Colorado Deputies largely abstained.

¹⁰⁷ The account is told of a quarrel between César and Luis Batlle, cousins and also leaders of opposing Colorado factions. Manuel Flores Mora, a young and vigorous Colorado "15" Deputy, undertook to side publicly with his chief, Luis. At this point Luis turned on him strongly and pointed out that this was a family quarrel, with outsiders forbidden to intervene. The story is authenticated by many reliable informants.

¹⁰⁸ Opposition to any tax on income is a tenet of the traditional Batllista position, as established by José Batlle and maintained by his son, César. The "14" Colorado sublema fought for this within the cabinet as long as it could in 1955-56; when continued unity proved impossible, it withdrew its Ministers and threatened the Luis Batlle-led "15" bloc which held the majority of Colorado votes (but not an absolute majority in either parliamentary chamber) with loss of its support. This would have made the "15" position untenable. *Marcha*, November 18, 1960, considered this split to have produced enough policy controversies and backbiting within the Colorado party to have facilitated the Blanco victory in 1958.

It may be interpolated further that the intra-Colorado split was in part responsible for the tendency of the Luis Batlle-led government of 1955-1959 to ignore rural interests, in spite of the implicit promise to Benito Nardone to be more aware of them during this period. The "14" sublema always remained more urban in its orientation than was acceptable to the "ruralistas", and this group then chose to support Herrera in 1958.

¹⁰⁹ An excellent example of an herrerista who broke with the sublema because he was denied the status he sought was Enrique Erro, the first appointee as Minister of Industry and Labor under the government inaugurated in 1959. When the Executive Council became alerted to Erro's ambitions, the situation became very tense; *Hispanic American Report*, February and March, 1960. Montevideo newspapers spelled out the situation in considerably more detail, of course. See *El Día* and *El País* for August, 1959 through January, 1960. Erro was removed by Executive Council decree of January 7, 1960; this was only the seventh instance of such removal in the country's history. The record in this regard was examined in *El País* for January 10, 1960.

¹¹⁰ Constitution of 1952, article 214.

¹¹¹ Interview, Dagoberto Balarini, July 29, 1960. Sr. Balarini pointed out such behavior is chronic. In 1956, the Colorado majority was equally unprofessional in its behavior. In order to make a public record on the matter, the Blanco minority in the Executive Council had photographs made of themselves in the Council chamber, with a clock in the background, and a Notary on hand to certify that the budget draft had been presented to the Council with just 30 minutes available for discussion before the midnight deadline.

When the budget was submitted to the Executive Council by Azzini at this last possible meeting, he asked that the Council undertake to reach agreement on it only with him, not with all the Ministers, regarding the details contained in the bills. This left each Minister as his own floor manager in the Chamber of Deputies regarding the portion of the documents pertaining to his department. Obviously this is contrary to any principles relating to the notion of a unified budget. It also deprived the Council of control, and vested it, almost entirely, in the Ministry which, under the constitution, cannot be vested with this degree of responsibility.

The constitution provides in articles 175 and 214 that Ministers will sign acts of the Executive Power which come under their jurisdiction. The general nature of the budget bills has led to the custom that all Ministers sign all bills. In the case of the bills in 1960, no Minister other than Azzini signed. This clearly occurred because Azzini prepared the final drafts presented to the Council for transmission to the Assembly to suit himself. Although Azzini denied this was the case, it became obvious in the case of the Ministry of Education and Social Welfare when the Minister protested that the draft sent to the Assembly did not conform in several cases to the wishes of the Minister. The specific instances related to proposed budgets for the *Consejo del Niño* (Children's Council, an autonomous committee charged with supervision of children's legislation), and the Council on Primary Education. *Marcha*, April 22, 1960.

¹¹² 538 *Diario de Sesiones de la Cámara de Representantes*, (#522), 1037-1542. [This reference is cited hereinafter as Budget.] Previously, the budget had been presented

as *Carpeta* (agenda) 819 for 1960, in the usual mimeographed document; in this from it had comprised 286 pages for the document itself.

¹¹³ Constitution of 1952, article 218, states the time limitations on budget debates in the two chambers of the Assembly. The statements of the text are supported by four informants.

¹¹⁴ Constitution of 1952, articles 219-220.

¹¹⁵ A good example of the public pressure exerted can be found in the strike of students and some faculty which supported the demands of the University administrators for about three times as much money as in the preceding budget.

At this same time, the Assembly was presented with many vigorous demonstrations of disaffection by pensioners, labor union members, and leftist groups objecting to portions of the document. This writer attended a number of these meetings. All were addressed in strong terms, but most speeches remained within the bounds of legitimate political representation (in Uruguayan terms) except those delivered by representatives of the Cuban-led "*Movimiento Latino-americano 26*", the export version of the "*26 de Julio*" movement within Cuba.

An important indication of the effectiveness of these representations can be found in the removal from the final budget documents of a "rider" which had been attached to one of the bills which would have established, for the first time, a rather comprehensive regulative law for the unions.

¹¹⁶ The degree to which the budget meets the needs of the country will largely determine the Blanco party's success in holding to a minimum the influence of the ambitious Benito Nardone. Interview, March 6, 1961, Carlos Caurant Aguirre, Business Manager, *La Mañana*.

The votes in the Chamber of Representatives at 7 a.m., November 30, 1960, after an 18-hour debate, on the four bills comprising the budget were:

Bill	For	Against	Remarks
Ley de Sueldos	51	21	All Blancos for except Erro, 2 Unión Cívicas join Blancos
Ley de Recursos	50	0	Blancos vote alone
Ley de Sueldos y Gastos	52	0	All Blancos plus Cívicas
Ley de Ordenamiento Financiero	52	0	same remarks

Source, *El Bien Público*, air edition, December 6, 1960.

The budget process is discussed in greater detail, *supra*, 128-133.

¹¹⁷ The Chamber of Deputies impeaches officials under article 93 of the 1952 constitution; conviction is by the Senate under article 102.

¹¹⁸ Constitution of 1952, articles 147-148.

¹¹⁹ No challenge may be implied, by these questions, to the jurisdiction of the Judicial Power or of the Tribunal of Administrative Appeals; article 118, par. 2, constitution of 1952. The stated provision is found in par. 1 of this article.

In practice, each meeting of the Deputies normally votes at least two such requests for information in writing. When the request is ignored, a follow-up normally occurs, often in the form of an interpellation. *El Debate*, March 17, 1960, reported such a case; the Ministry of Foreign Relations had failed to answer two separate requests for information regarding a special out-of-budget payment of \$20,000 (U. S.) to the Ambassador in London. In this case the request originated in the Senate.

¹²⁰ Article 119, constitution of 1952. Interpellations may be voted regarding performances by the Autonomous Entities; in such cases the Minister may be accompanied to the chamber by a representative of the Board of Directors of the agency.

¹²¹ The interpellation of Foreign Minister Homero Martínez Montero in the Chamber of Deputies over the detention in Asunción, Paraguay, of Carlos Bonavita, was voted by a bipartisan group. This detention, which resulted in torture and many months without charges in jail for the son of a leading Uruguayan politician, was never

protested effectively by the Blanco government. *Hispanic American Report*, February, 1960. A more detailed report was contained in *Marcha*, July 29, 1960.

¹²² Constitution of 1952, article 180.

¹²³ *El Bien Público*, air edition, November 19, 1957, reported that an adverse vote had occurred in the Senate on policies advocated by the Finance Minister. On November 13th, he refused to resign, basing his decision on the orders of the Executive Council. The issue had been the temporary closure of all import licenses. The Minister was Dr. Amilcar Vasconcellos.

On November 21st, the Blanco bloc in the Chamber of Deputies chose to ignore completely a second request for an interpellation, this time proposed by an Independent Blanco Deputy. The Blancos argued an interpellation would be useless, since the intent would be to embarrass a man who already had indicated embarrassment would not bring about his resignation.

El Debate, March 23, 1960, took the position that Azzini should not resign even if an adverse vote should develop in the on-going interpellation in the Chamber of Deputies. The four-stage debate, which ended on August 1st, was never resolved by a vote. The interpellation was ended *sine die* when the quorum necessary for continuance of the debate was lost as Blanco Deputies deliberately absented themselves from the chamber. *El Plata*, August 2, 1960.

¹²⁴ The challenge to a duel grew out of hot-headed remarks by "15" Deputy Manuel Flores Mora to a UBD Deputy. The matter later was dropped. Communist Deputy Rodney Arismendi used the traditional freedom of debate in the chamber to level a two-hour attack on the government's policy of cooperation with the International Monetary Fund, at one stage.

¹²⁵ Constitution of 1952, article 122, par. 2.

¹²⁶ Constitution of 1830, article 107. No statement was made regarding the personal qualifications of such officials.

¹²⁷ Constitution of 1830, articles 105-106. These officials would be "*jueces letrados*" or "lettered" (i. e., trained) judges, men who had been trained in the law and had entered the judicial profession rather than the practice of law. Article 105 concluded that these judges would have criminal jurisdiction "in the form established by the law, until judgment by juries (*jurados*) is organized."

¹²⁸ Constitution of 1830, articles 102-104. Four years of legal or judicial practice would be needed for such appointment. These judges would be known as "Ministers".

¹²⁹ Constitution of 1830, articles 92-94. The court was to be known as the *Alta Corte de Justicia*; its Ministers had to have had 6 years of legal practice or 4 as judges, be at least 40 years of age, and to possess all qualifications necessary for Senators. These latter requirements included a personal worth of at least 10,000 pesos or an equivalent income, or a "scientific profession which produces it"; either be native Uruguayans or naturalized citizens of at least 7 years' standing. The "non-lettered" members of the Court, of which there could be two of the five, needed only to meet the requirements of Senators.

¹³⁰ Constitution of 1830, article 95.

¹³¹ Constitution of 1830, articles 99 and 100. By article 103, judges of the Court of Appeals served during good behavior, also.

¹³² Constitution of 1830, article 98. The matter is discussed in some detail in *8 Con. Nac.*, 69-75. Regarding the claims of the Colonial period Spanish government to control the Church in these matters see C. H. Haring, *The Spanish Empire in America*, (New York, Oxford University Press, 1947), 180-182. Regarding the claims of the post-independence governments see D. E. Worcester and W. G. Schaeffer, *The Growth and Culture of Latin America* (New York, Oxford University Press, 1956), 612-614.

¹³³ Law of 3 May 1881. *Bandera*, 699. The law authorized the President to appoint a committee of 5 lawyers, to prepare legislation establishing in detail the jurisdiction of the High Court, as well as procedures in all four levels of the courts. The committee was charged to pay special attention to article 137 of the 1830 Constitution, "One of the first concerns to the General Assembly will be to provide, as soon as possible, for the establishment of judgment by juries in criminal cases, and

even in civil matters." The committee was appointed under the chairmanship of Dr. Angel Floro Costa, and prepared the requested bills. The Assembly tabled them in debate in 1882, on the ground that the climate of opinion "wasn't suitable" at the time. A second effort to obtain the establishment, by similar measures, in 1901 also failed. 8 *Con. Nac.*, 17; 5 *Obras Históricas*, 352.

In practice, after the adoption of the 1830 constitution, the "*jurado*" or jury became a body of non legally-trained judges sitting to hear evidence under the supervision of the regular judges. Juries were employed for both criminal and civil matters, for determining facts rather than law, until they were curtailed in part by the changed phrasing of the 1934 constitution, which stated in its article 13, "Ordinary law may establish judgment in criminal cases by juries." This phrasing remains in article 13 of the 1952 constitution. See 8 *Con. Nac.*, 88, 95-96.

¹³⁴ 8 *Con. Nac.*, 16-20. By the 1907 law the Court had 5 members. When it heard appeals from the lower courts these members would be joined by two members of the Appeals Court which had acted originally on the matter (article 18 of the law). The propriety and constitutionality of this arrangement is discussed in *Ibid.*, 20-26.

The members of the first bench were Dr. Ezequiel Garzón, who was elected President of the Court for the first session; and Drs. Domingo González, Carlos A. Feinf, Luis Piera, and Benito M. Cuñarro. This first meeting of the court was commemorated by a 50-year anniversary meeting on October 28, 1957. *El Bien Público* (air edition), November 5, 1957.

¹³⁵ 5 *Obras Históricas*, 128-132.

¹³⁶ At the time of the High Court's activation, most of its administrative duties and its appellate responsibilities were handled by the "*Tribunal Pleno*", or "Full Tribunal", a body of 5 judges drawn from the two Appeals Courts in Montevideo, each of which had three members. 6 *Obras Históricas*, 390, 510. At one time, 1853-1858, all duties had been performed by only one judge, Dr. Cándido Joanico. The *Tribunal de Apelaciones* (Appeals Court) was first established by law in 1829, prior to the adoption of the first constitution. 2 *Obras Históricas*, 373.

¹³⁷ 8 *Con. Nac.*, 9-10, 26-33.

¹³⁸ This was particularly pointed up in a report by the Minister of Foreign Affairs to the President in 1860. At that time, this official maintained liaison with the Judiciary on behalf of the Executive Power. 4 *Obras Históricas*, 220.

¹³⁹ The text and antecedents of the code are contained in Eduardo J. Couture, *Código de organización de los Tribunales Civiles y de Hacienda* (Montevideo, Centro Estudiantes de Derecho, 1957). This work is cited hereinafter as *Código*.

¹⁴⁰ Law 11,461 is found at 1950 *Registro*, 671-693. Law 12,270 of 11 January 1956 (1956 *Registro*, 52-53), contains some jurisdictional changes.

¹⁴¹ *Budget 1252-1266: Sueldos y Gastos*, (Salaries and Expenses), article 14, item 13.09. The Justices of the Peace are designated as follows: 18 in Departmental capitals, 23 in principal non-capital towns, 30 in first-category towns, 36 in second-category towns, 96 in rural areas.

Each item of the Judicial Budget which pertains to a specific court also includes all employees attached to the court or courts. The rules regarding discipline, qualifications and duties of these employees are provided in *Código*, 125-153, articles 170-247. The Judicial Budget is hereinafter cited as *Judicial Budget*.

¹⁴² Constitution of 1952, article 247. The Supreme Court may determine that the level of work in any given interior city requires that the incumbents be either trained lawyers or notaries.

¹⁴³ Constitution of 1952, article 239, pars. 2, 6, 7; and article 249.

¹⁴⁴ *Código*, 91-95 (articles 81-87). These provisions have been modified by law 12,270, 11 January 1956 (1956 *Registro*, 52-53), which broadens slightly the jurisdiction of Justices of the Peace.

¹⁴⁵ *Portrait*, 163, terms these officials "Courts of Record". This phrasing is not exact, since Justices of the Peace have numerous powers in regard to public records, including the exclusive jurisdiction concerning marriages.

¹⁴⁶ Constitution of 1952, article 245.

¹⁴⁷ Constitution of 1952, articles 239 (par. 5) and 246. Article 239 (5) provides for probationary appointment for a two-year period for persons who do not have the

prescribed two years' experience at the time of appointment. These persons are removable at any time during this period by action of the Supreme Court. For regular appointees, removal is by impeachment and conviction by the Assembly.

The individual judge may ask reconsideration of any transfer which he did not request. The hearing is at his expense. *Código*, article 76. If the transfer involves no reduction in grade or loss of pay, a simple majority vote by the Supreme Court members is adequate to reaffirm the transfer. If the transfer involved reductions, it must be sustained on appeal by a majority vote of four judges of the Supreme Court.

¹⁴⁸ *Código*, 97-98, article 90. These courts also have appellate jurisdiction over decisions by customs tribunals if the amount involved is not over 1,000 pesos. See also, *Judicial Budget*, item 13.01.

The first Juzgados Letrados in criminal matters were organized in Montevideo by a law of 27 May 1896 (19 *Col. Leg.*, 197-200). They were granted first instance jurisdiction in criminal matters at this time.

¹⁴⁹ *Código*, 101-104, articles 98-100. Prior to the establishment of the Tribunal of Administrative Appeals by the 1952 constitution, these Courts had final jurisdiction in all administrative appeals matters, other than in cases submitted to the Supreme Court. Article 100 (par. 5). See also, *Judicial Budget*, item 13.02.

¹⁵⁰ *Judicial Budget*, items 13.03 and 13.04.

¹⁵¹ Constitution of 1952, article 43, provides that "there shall be a special regimen in which women shall be given participation" for dealing with juvenile delinquency. Both judges in this Division were women in 1960. *Judicial Budget*, item 13.07. Legal majority is reached at the age of 18, although some prohibitions continue to the age of 21. Law 9,342, 6 April 1934, is the *Código del Niño* (Children's Code).

¹⁵² *Judicial Budget*, item 13.06.

¹⁵³ *Código*, 97-100, articles 90-97. *Judicial Budget*, item 13.05.

¹⁵⁴ *Código*, 106-107, articles 108-110, 112.

¹⁵⁵ Constitution of 1952, articles 242-243.

¹⁵⁶ *Código*, 106, article 107. Also, Enrique Sayagués Laso, *Tratado de Derecho Administrativo*, Vol. II (Montevideo, privately printed, 1959), 554-555. This work is cited hereinafter as *Tratado*.

Appellate Courts procedures are prescribed in *Código*, 108-109, articles 113-115.

¹⁵⁷ Constitution of 1952, articles 234-237. *Judicial Budget*, item 12.01.

¹⁵⁸ *Código*, 110, article 117.

¹⁵⁹ Constitution of 1952, articles 118, 239, 240. Article 239, par. 3 charges the Supreme Court with responsibility for preparing the budget of the Judicial Power. Its administrative duties include annual inspection of jails and correction of bad conditions. *Código*, 111, article 120, par. 6, and article 122.

¹⁶⁰ Constitution of 1952, article 239, par. 1.

¹⁶¹ *Código*, 111, article 120, pars. 3 and 4.

¹⁶² *Código*, 112, article 121.

¹⁶³ *Código*, 113, articles 123-124, also contain provisions regarding interlocutory judgments (by three judges, voting unanimously); recusing of judges, etc.

¹⁶⁴ Constitution of 1952, articles 307-313, 317-319. The role of the TCA is examined in minute theoretical detail by Enrique Sayagués Laso in his *El Tribunal de lo Contencioso-Administrativo* (Montevideo, Revista de la Facultad de Derecho y Ciencias Sociales de Montevideo, 1952). Sayagués particularly comments (p. 70-72) on the constitution's emphasis in article 318 that time is of the essence in administrative appeals. If no action has been filed within 120 days after the administrative action which is challenged, the privilege of appeal is lost.

Sayagués examines the TCA's work in the light of 7 years' experience in his 2 *Tratado*, 542-551. For somewhat contrasting views see 4 *Con.* 52, 61-120, and also Arturo Enrique Sampay, *La declaración de inconstitucionalidad* (Montevideo, Editorial Medina, 1957), 51-69.

The budget of the TCA is contained in *Budget*, 1270-1271, article 20.

¹⁶⁵ *Judicial Budget*, items 12.03 and 12.04 respectively.

¹⁶⁶ Constitution of 1952, article 254: "... In cases in which such a declaration is made on behalf of the plaintiff, the defendant will enjoy the same privilege up to the moment of definitive judgment; [this will] be considered if [the court] finds that the plaintiff has acted frivolously." The intent clearly is that such a plaintiff then will be liable for the payment of all costs of the trial.

¹⁶⁷ 8 *Con. Nac.*, 142-144.

¹⁶⁸ *Ibid.*, 145-146.

¹⁶⁹ *Ibid.*, 146-147.

¹⁷⁰ *Ibid.*, 135-142. The defendant does not have the same procedural rights in military courts as in civil courts. The latter rights are described in some detail in Section II of the 1952 constitution, articles 7-72.

¹⁷¹ Constitution of 1952, articles 256-260. Sampay, *op. cit.*, 22-23.

¹⁷² 2 *Tratado*, 617-619.

¹⁷³ Sampay, *op. cit.*, 22-23.

¹⁷⁴ *Ibid.*, 23.

¹⁷⁵ *Código*, 82-89, articles 57-76.

¹⁷⁶ *Ibid.*, article 58.

¹⁷⁷ *Ibid.*, articles 59-64. The annual judicial holiday periods are July 1-20 and January 1-31. The Supreme Court designates a "duty judge" in each Department for service during these vacation periods, however.

¹⁷⁸ *Ibid.*, articles 66-67.

¹⁷⁹ Constitution of 1952, article 252.

¹⁸⁰ *Código*, 85, article 69, par. 1.

¹⁸¹ Constitution of 1952, article 77, par. 4. The Electoral Court has jurisdiction in such cases, and accusations must be entered by the national executive bodies of the parties.

¹⁸² Constitution of 1952, article 251. *Código*, 86, article 70. The rule against political participation, or holding of any other jobs, was adopted in 1862 by the Appeals Tribunal, by a 4-1 vote, although it was provided that a judge might take a leave of absence in order to stand for elective office. The rule was dropped in 1867 by the dictator Latorre, on the ground that the Constitution did not specifically forbid such double activity. 4 *Obras Históricas*, 225. Also, 8 *Con. Nac.*, 12. The Tribunal later changed its position in 1897. 6 *Obras Históricas*, 98.

¹⁸³ *Código*, 86, article 71. These relationships would be third cousin, or brother-in-law, respectively.

¹⁸⁴ *Ibid.*, 116-124.

¹⁸⁵ Dr. Alvaro Macedo, interview with *Marcha*, June 3, 1960. The criticism makes the same points as those of an editorial by *El Bien Público* (air edition), December 19, 1957.

¹⁸⁶ *Judicial salaries in Pesos per year, and cost of living indices, 1955-1963.*

Office Index, ^a	1955	1956	1957	1958	1959	1960	1961	1962	1963
1948=100	170.5	181.9	208.6	245.1	341.9	439.7	.	.	.
Supreme									
Ct Judge	30,000	30,000	30,000	30,000	42,000	49,411	49,411	49,411	49,411
Appeals Ct	.	.	26,400	26,400	26,400	26,400	39,260	43,520	48,000
Juez YI	.	.	26,100	26,100	26,100	26,100	34,400	37,000	39,600
Letrado III	.	.	18,000	18,000	18,000	18,000	28,080	32,440	34,800
YI	.	.	14,400	14,400	14,400	14,400	25,200	28,800	32,400
Juez de II	.	.	12,000	12,000	12,000	12,000	22,800	26,400	30,000
III	.	.	7,290	7,290	7,290	7,290	15,160	17,780	20,400
Paz IV	.	.	5,760	5,760	5,760	5,760	11,670	13,640	15,600
V	.	.	5,040	5,040	5,040	5,040	9,940	11,570	13,200

^a Index figures from Ministerio de Hacienda, Departamento de Estadística Económica, *Índice de los Precios del Consumo*, (Montevideo, May, 1960) mimeograph, 6p.

¹⁸⁷ *Código*, 7-62, examines the various proposed codes for organization of the courts and procedures, as well as supporting reasons which were submitted to the Assembly. It also contains the covering legislation under which the code was enacted. The material here contained indicates amply the record of the Assembly in failing to enact legislation which had been regarded as essential.

¹⁸⁸ See Alberto Demicheli, *Lo contencioso-administrativo* (Montevideo, University of Montevideo, Vol. I, 1937), for an examination of the theoretical principles of administrative responsibility in Uruguay, and a statement of the limited application of these principles up to the time of Demicheli's writing.

¹⁸⁹ 2 *Tratado*, 546-547.

¹⁹⁰ Dr. Alvaro Macedo, interview with *Marcha*, June 3, 1960. The only increase in judgeships in the 1960 budget over the preceding arrangements, above the level of Justice of the Peace, was in the transfer of two lawyers from posts as administrative inspectors to *Juzgados Letrados* for labor matters in Montevideo. *El Plata*, March 26, 1960, commented editorially on the Supreme Court's request for additional first instance judges in Montevideo, as submitted in a bill to the Assembly. *Plata* noted that the Executive Council's insistence on these labor courts might relieve the backlog of such cases. It noted, however, that the labor backlog included about 2,000 cases, while there were over 50,000 civil suits pending because of lack of courts of 1st instance.

¹⁹¹ *El Bien Público* (air edition), December 19, 1957, remarked editorially on the recent introduction by the Supreme Court to the Assembly of a new Civil Procedures Code. Several months later there had been no committee hearings held on the bill. The newspaper commented that this seemed to fit into the usual pattern of indifference.

¹⁹² Dr. Alvaro Macedo, in *Marcha*, June 3, 1960.

¹⁹³ *Marcha*, editorial of April 22, 1960.

¹⁹⁴ *El Bien Público* (air edition), December 31, 1957, commented editorially regarding the Montevideo Departmental Council's refusal to recognize the invalidation by the Supreme Court of a portion of the Departmental Statute of Functionaries (civil service law), which subjected such officials to rather obvious political tests as a condition of appointment. The Executive Council did not undertake to enforce the Court's decision.

This same issue noted a meeting of the Senate on December 26th, in which Blanco Senator Eduardo Víctor Haedo demanded a special investigation by the Committee on Legislation and Constitution of the political motives of the Supreme Court judges in overturning a precedent.

¹⁹⁵ Constitution of 1952, article 236, par. 2, relates to continuity of the Supreme Court in the absence of one or more members. Article 307 calls for legislation which will complete the membership of the Administrative Appeals Tribunal in case of vacancies; since this law has not been enacted, the norms relating to the Supreme Court have been extended to the Appeals Tribunal as well. Decree-law 10,344, 8 February 1943 (*1943 Registro*, 406-413) provides in article 41 that in case of insufficient personnel for the Supreme Court, the vacancies will be filled by lot from among the judges of the Courts of Appeals. 2 *Tratado*, 550.

¹⁹⁶ *Marcha*, editorial of November 18, 1960.

¹⁹⁷ *El Día*, April 1, 1960.

¹⁹⁸ Interview, Deputy Gervasio Domenech, August 3, 1960, Dr. Domenech reported that it is the experience of all legislators that they are forced to spend far too much time seeing job seekers. He estimated that 95% of his visitors want and expect government jobs, and that most of the rest want pensions. None expects to become rich; they just want a steady income.

¹⁹⁹ In his major study of Uruguayan public administration, John O. Hall remarks in chapter 1, "... Good administration is essential if the State is to achieve its purposes in an efficient, economical and calm manner.

Further, in the current ideological conflict which faces the world, good administration is essential, in the free nations, for the maintenance and progress of democracy. . . .

"Due to the increase in governmental activity, in various spheres of national life, inexpert administration of the public business cannot be satisfactory. In order to face the complex functions and major responsibilities of the modern state, public administration has been converted into a science which has developed rapidly in the last three decades. . . ." *Ibid.*, 5. This and other quotations from Hall may lose some of the original flavor of his work since they are re-translations to English from the Spanish version of the book.

Among other studies prepared for Uruguayan examination and study in the efforts of the Institute of Inter-American Affairs and the United Nations to prevail upon Uruguayan leaders to take seriously the country's needs in the area of administration are, IIAA, *Entrenamiento para el servicio público en el Uruguay*, by Elwyn A. Mauch (Montevideo, May, 1954), mimeographed, a brief paper prepared and presented to the faculty of the University of Montevideo in an effort to urge the development of courses for the preparation of students and practitioners in the field of public administration; Lucienne Talloen, *Capacitación*, (Montevideo, Asociación Uruguaya de Administración Pública, 1957), mimeographed, a published lecture regarding the need for training of public employees, delivered by a visiting Belgian expert of the United Nations; James A. Garvey, *Importancia de una División de Organización y Métodos en el Gobierno* (Montevideo, December, 1953), mimeographed; Garvey and Hall, *Comentarios al proyecto de ley sobre licitaciones públicas en el Uruguay*, (Montevideo, IIAA, February, 1954), mimeographed; Hall, *Un estudio de las funciones de la Secretaría del Consejo Nacional de Gobierno del Uruguay*, (Montevideo, IIAA, December, 1955); Hall and Garvey, *La Intervención en Compras Gubernamentales* (Montevideo, IIAA, November 12, 1953), mimeographed; Hall, *Reformas del regimen impositivo* (Montevideo, IIAA, November 29, 1955), mimeographed; Sydney L. Lewis, *Informe cubriendo el período de Febrero 1º, 1959, a Junio 1º, 1959* (Montevideo, Misión de Administración Pública de las Naciones Unidas a la República Oriental del Uruguay, June 1, 1959), mimeographed.

²⁰⁰ Hall, *Administración* 13-19.

²⁰¹ *Ibid.*, 8, 27-33.

²⁰² See especially, Uruguay, Administración de los Ferrocarriles del Estado de la República Oriental del Uruguay, Technical Mission, *Report*. 2 Vols. (Paris, SOFRE-RAIL, June, 1959). These volumes, of 501 pages in all, are the English language version of an intensive study prepared by a French consultant organization under contract with AFE in 1953-1959. It is apparent that its highly detailed and expert conclusions have been ignored in large part for reasons of political expediency in the two years since its restricted publication. This work is cited hereinafter as *Sofrerrail*.

Another, similar, study is Uruguay, Ministerio de Salud Pública, *Estudio de la reorganización administrativo del Ministerio de Salud Pública*, 13 vols. (Montevideo, 1956), mimeographed. The effects on administrative reorganization of the Ministry have been parallel to those on the railroad.

One of several instances of efforts at improvement can be found in the decree of the Minister of Treasury of 8 September 1949 (1949 *Registro*, 968-970), which established an Advisory Committee for administrative and budgetary rationalization. There is no indication that the positions thus established ever were filled. This ineffective action was followed by another decree by the Minister on 7 June 1955 (1955 *Registro*, 506-508), which established a Commission for Budget and Financial Management, which would be a permanent office within the Ministry, and which would be composed of delegates of each Ministry, the Accountant General of the Nation or his delegate, the Inspector General of the Treasury or his delegate, and by 6 other officials. The Commission was given highly specific and important duties to perform. Its members actually were seated, but no action ever resulted.

Later in 1955, on November 15th, the Treasury Minister decreed the establishment of an Advisory Commission on Public Administration (1955 *Registro*, 1097-1098). The Commission was empowered to advise the National Council of Government on "national reality". The impulse was derived from the United Nations-sponsored International Seminar on Public Administration which met in Montevideo, October 17-29, 1955. The committee was formed of 7 eminent persons, most of them not then in the government: Dr. Eduardo J. Couture, chairman; Juan Azzini, Dr. Manfredo Cikato, Contador (Accountant) Hugo de Marco, Contador Alfredo Fernández, Edison Villagrán, Dr. Roberto Zabaleta. The majority of the members were

members of the University faculty. Miss Lucienne Talloen of the United Nations' staff in Montevideo was named as a collaborator with the commission.

²⁰³ Hall, *op. cit.*, 9. It has been remarked by Aldo Solari of the Sociology Department of the Faculty of Law of the University that Uruguay is almost feminine in its desire to avoid statistics, especially those it considers unfavorable. The view was supported, in large part, by Héctor Goldie, Director of the Office of Statistics, Census and Mechanization of the Montevideo city government; interview, June 16, 1960.

²⁰⁴ 7 *Con. Nac.*, 8, 14. The present basic law on municipalities is #9,515, 28 October 1935 (1935 *Registro*, 706-736). The fundamental document for all municipal legislation is Uruguay, Consejo Departamental de Montevideo, *Digesto Municipal* (Montevideo, 2 Vols., 1958).

²⁰⁵ 7 *Con. Nac.*, 12-13.

²⁰⁶ The phrasing of "horizontal" and "vertical" is that of Jiménez de Aréchaga in 7 *Con. Nac.*, 14-15. See also, Giudice, *Fundamentos, op. cit.*, 29-51; and Hanson, *op. cit.*, 19-25, for a useful synopsis of Batlle's economic and social policies.

²⁰⁷ Article 100 stated, "The various services which constitute the industrial domain of the State, superior, secondary and primary education, public assistance and hygiene, will be administered by Autonomous Councils. Except for those declared elective by their laws, members of these Councils will be appointed by the National Council [of Administration]. It will also be able to remove the members of the special councils with the permission of the Senate, will be the judge of protests originating in the elections of the elective members, will receive the rendering of accounts, will take appropriate actions in case of responsibility and will take note of administrative appeals according to the laws."

The article had been agreed to by a "Committee of 8" in discussions behind closed doors. When participants in the meetings differed among themselves as to the meaning of the article, confusion arose. 7 *Con. Nac.*, 20-23. See also Alberto Demicheli, *Los Entes Autónomos* (Montevideo, 1924), 42-47; and R. Ramela de Castro, *Entes Autónomos* (Montevideo, 1923), 26-36.

²⁰⁸ The organic laws of these agencies are:

AFE (railroads), #11,859, 19 September 1952 (1952 *Registro*, 891-905).

PLUNA (airline), #11,740, 12 November 1951 (1951 *Registro*, 1138-1143).

AMDET (Montevideo municipal street transportation system), #10,980, 6 December 1947 (1947 *Registro*, 1346-1350).

²⁰⁹ The organic law of ANCAP is #8,764, 15 October 1931 (1931 *Registro*, 573-576). According to the magazine *Ingeniería Internacional Industrial*, a monthly business review published in New York by McGraw-Hill, International, Co., (July, 1959), 44, ANCAP is the 7th largest firm of any type in Latin America. The statement is based on the firm's own statement of assets and gross business. ANCAP is the only Uruguayan firm in the list, which includes the 100 largest companies, public or private, in Latin America. The organization is listed as employing 7,000 employees, including 4,243 day laborers and workers and 1,200 administrative employees, in a booklet given limited circulation within the organization. ANCAP includes several important divisions, including Agriculture (including sugar, for its alcohol operations), Refining, Alcohol production, Cement, and Chemicals.

ANCAP does not monopolize marketing at the retail level, and there are conventional service stations catering to motorists; these principally are owned by companies and leased by dealers as in the United States. The companies are Standard of New Jersey ("Esso"); Atlantic, a Gulf subsidiary which was purchased outright by Standard in 1960; Shell; and Texaco. All draw their retail products from the ANCAP refinery in Montevideo, and prepare them in their own way for marketing—by the addition of distinctive colorings, use of their distinctive containers, etc. Although the companies may import crude petroleum, all such crude is refined in the ANCAP plant, and goes into the pool from which all draw. Therefore, when in 1958-59 Uruguay imported large amounts of high sulfur-content Soviet crude, all retail outlets were forced to sell it. The sulfur was not refined out and many retailers reported dissatisfied customers switched from dealer to dealer during this period as their carburetors and cylinders showed the effects. The anachronism of private United States-owned firms being forced to market Soviet crude is obvious. There are ANCAP service stations, of course.

²¹⁰ The organic laws of these agencies are:

OSE (water), #11,907, 19 December 1952 (1952 *Registro*, 1161-1171).

ANP (port of Montevideo), 21 July 1916 (1916 *Registro*, 577-582).

UTE (electricity and communications), 21 October 1912 (1912 *Registro*, 829-836), organized as the Usinas Eléctricas del Estado. By law 8,767, 15 October 1931 (1931 *Registro*, 582-583), this organization was expanded to include telephones.

Frigorífico Nacional (meat-packing), #8,282, 6 September 1928 (1928 *Registro*, 491-499).

²¹¹ Hanson, *op. cit.*, 26-39. The organic law of the Bank is dated 27 December 1911 (1911 *Registro*, 890-894). A comprehensive legislative history of the Bank is contained in its publication, *El Banco de Seguros del Estado, Creación, funcionamiento, desarrollo* (Montevideo, 1947), 494 p.

²¹² Hanson, *op. cit.*, 78-85. The organic law of the Bank is dated 8 June 1912 (1912 *Registro*, 460-461). The law provided for purchase by the Banco de la República, on the account of the state, of the 35,490 outstanding shares of the Banco de Seguros, "by amicable action", at 117% of par. If the holders refused to sell, the government was authorized to undertake expropriation action in the courts.

²¹³ Hanson, *op. cit.*, 70-78. The organic law of the Bank is dated 17 July 1911 (1911 *Registro*, 621-628). The organization was first established as a mixed public and private corporation in 1896, following the liquidation of the privately owned Banco Nacional by the enactment of a law on 10 February 1896. (19 *Col. Leg.* 56-68). It was taken over completely by the State in 1911. The history of the Bank is recounted in two volumes published by the Bank: Uruguay, *Banco de la República Oriental del Uruguay, 1896 - 24 de agosto - 1917* (Montevideo, 1918), by Raúl Montero Bustamante and Octavio Mortaló; and Uruguay, *El Banco de la República en su cincuentenario. Memoria Histórica*, (Montevideo, 1946 [?], by Raúl Montero Bustamante. See also the brief discussion in 7 *Con. Nac.*, 13.

²¹⁴ Law 10,971, 31 July 1947 (1947 *Registro*, 742-743), establishes that members of Boards of Directors shall be appointed for four-year terms, which run coterminously with the period of office of the Executive Council which appoints them. Article 185 of the 1942 constitution provides that they shall serve until replaced, however, and this is continued by article 196 of the 1952 constitution. Therefore, the failure of the Blanco-controlled Council to appoint many individual replacements in 1959 and 1960 did not impede the operations of the Boards.

The distinction between Entes Autónomos and Servicios Descentralizados is principally one of the degree of autonomy granted them. It is provided in article 185 of the 1952 constitution that the industrial and commercial services of the State shall be administered by Autonomous Directorates or Councils, but article 186 excludes certain specific types of services from status as Entes Autónomos: mail and telegraphs, customs and posts, and public health. Entes Autónomos budgets are given treatment indicative of greater autonomy by article 222, while those of Servicios Descentralizados must be enacted by the General Assembly as with the regular executive departments of government. Decisions by the Boards of Entes Autónomos are not subject to hierarchical control and nullification action by the Executive Council, but must be submitted to the regular courts or to the Administrative Appeals Tribunal, by article 198.

²¹⁵ Law 10,449, 12 November 1943 (1943 *Registro*, 1650-1660) established the salaries councils as devices for the control of wages and salaries in private businesses. The 7 members serve without pay; 3 are appointed by the Executive Power, and 2 each by the workers and the employer. Councils may be established by the Executive Power whenever one-third of the workers in a business or area of commercial activity request. Decisions of the Councils may be appealed to the Executive Power; they are empowered to pass judgment not only on wage levels, but also to attempt to conciliate conflicts between labor and management.

²¹⁶ Each of the retirement funds is controlled by a Board or committee, as are many other economic and social organizations.

²¹⁷ A genuinely phenomenal development concerning ANCAP's autonomy in the area of foreign trade occurred in March, 1960. Its Board announced the amount of money involved in its imports of crude and processed petroleum in the calendar years 1955-1959, and for the first time these were introduced into the official figures of the

government for foreign trade for this period. The \$74.5 million in imports therefore increased the net deficit of Uruguay in foreign exchange by this amount, and turned small surpluses on foreign trade in 1956 and 1958 into deficits. *El País*, March 14, 1960. The figures for this period were, in \$1,000 (US):

Year	Ordinary Trade		Previously announced balance	ANCAP imports	New trade balance
	Exports	Imports			
1955	183,678	225,958	-42,280	2,505	-44,785
1956	211,054	205,794	+5,260	6,813	-1,553
1957	128,249	226,443	-98,194	28,224	-126,418
1958	138,622	132,650	+3,972	33,364	-29,392
1959	97,798	139,638	-41,840	3,588	-45,428

In the first half of 1959, the Soviet Bloc's share of trade with Uruguay was almost double that of the same period in 1958 (34% as against 20%). *Fortnightly Review*, December 5, 1959. The bulk of this additional trade was in importation of crude petroleum for wool. This increase was in addition to the fact that the Bloc's share of trade in first half 1958 had been up 110% over the same period of 1957. *Wall Street Journal*, November 13, 1958. The items of trade were the same as before. The rise in both years corresponded directly to decisions made by the Board of Directors rise of ANCAP; the Executive Council of the central government attempted to prevent these decisions from being made, but the contracts were signed before the Council was able to act. The reason for the decision was that one of the members of the Board was one of Uruguay's major wool raisers; he had been unable to export his wool for attractive prices, and this was a convenient way to unload his backlog. Interview with a confidential source. Data are given in United States Senate, Committee on Foreign Relations, *United States-Latin American Relations*, 86th Congress 2nd Session, Document No. 125 (Washington, 1960) 753.

The Executive Council later attempted to preclude further such developments by decreeing that in the future the Boards of the autonomous businesses would be required to advise the Council not less than 48 hours prior to the signing of any contract with foreign interests for the extension of goods or services. Decree of 6 May 1959 (1959 *Registro*, 335-336).

In past years there has been much effort made to examine operations of this sort by the autonomous businesses, but most such activities fail to reach fulfillment. In its meeting of January 2, 1958, for example, the Council noted that some investigations had never reported, although some had been pending for years. Concrete evidence of illegality and of some open corruption had been discovered, but no action has been taken. *El Bien Público*, (air edition), January 7 and 14, 1958.

²¹⁸ Several Deputies indicated in interviews that they regarded the 1953 budget to have been the first such comprehensive overhaul in nearly a decade. It was contained in laws 11,923, 11,924, and 11,925, 25 March 1953 (1953 *Registro*, 225-350). It was later amended in the following deficiency appropriations: law 12,276, 10 February 1956 (1956 *Registro*, 326-341); 12,367, 8 January 1957 (1957 *Registro*, 138-180); 12,482, 28 December 1957 (1957 *Registro*, 1453-1477).

Article 229 of the 1952 constitution provides, for the first time in the country's history, that the appropriations request-originating agencies and branches of the government "may not propose the establishment of new jobs, nor increase of salaries, nor of pensions, nor of wages to contract or daily workers, in the twelve months prior to the date of the ordinary elections". This provision results quadrennially in a log jam of bills trying to do all of these things in the last possible moment. In 1957, the Assembly sat in all-night sessions for several weeks in an attempt to handle this legislation. The phrasing of some of it is interesting; on November 28, 1957, the Executive Council promulgated a law increasing the government's credit with the Banco de la República from 20 million to 40 million pesos. The credit was to remain "in effect until a new central administration budget is drawn up, presumably in 1960" (italics added) *Foreign Commerce Weekly*, February 17, 1958; also *El Bien Público*, (air edition), December 3, 1957.

²¹⁹ 3 *Con.* 52, 116, quotes Dr. Salvador Ferrer Serra as arguing for the quadrennial budget on the ground that the annual unified budgets under preceding constitutions never had been able to preclude the need for annual deficiency appropriations laws. Therefore, the quadrennial arrangement would save trouble and work for the organs of government.

²²⁰ A very useful analysis and critique of the budget proposals was presented in *Marcha's* lead editorials beginning with its April 22, 1960, issue. The four laws which comprised the budget did not agree among themselves, either in detail or in global figures, regarding income and expenditures. The result was a sort of "numbers game", which *Marcha* delighted in pointing out.

²²¹ Article 191 of the 1942 constitution, for example, provided for such a budget; the provision appears in article 194 of the 1934 constitution as well.

²²² 3 *Con.* 52, 121. Articles 215 and 217 (par. 6) permit the introduction of deficiency requests by the national and Departmental executives, respectively.

²²³ 3 *Con.* 52, 117. In 1957 the tax law was enacted one month before the salaries and expense law: law 12,367, 8 January 1957 (1957 *Registro*, 38-73); and law 12,376, 31 January 1957 (1957 *Registro*, 138-180), respectively.

²²⁴ *Ibid.*, 126-128.

²²⁵ *Budget*, 1067-1075.

²²⁶ *Ibid.*, 1141-1186. The law contains 25 articles, each with numerous paragraphs. Article 1 of the law contains the new Income Tax provisions; pars. 17-22 relate to taxes on rural properties.

²²⁷ *Ibid.*, 1377-1538. In addition to the departments of the Executive Power, the law includes provisions for the Councils on Primary and Normal Education, and on Secondary Education, the University of the Republic, the University of Labor, the regular and Electoral Courts, the Administrative and Accounts Tribunals, the National Institute for Low-Cost Housing, the Montevideo Water Supply agency, and 6 *Cajas* or social welfare and retirement funds, all of which are subsidized by the budget.

²²⁸ *Ibid.*, 1187-1198. Regarding the proposal for administrative reorganization see *El Debate*, March 20, 1960.

²²⁹ *El Día*, March 26, 1960.

²³⁰ Article 216, par. 2, constitution of 1952, states, "There shall not be included in the budgets provisions whose effectiveness extends after the mandate of the Government or which do not refer exclusively to its interpretation or execution."

²³¹ Article 214, constitution of 1952.

²³² The Boards of Directors prepare their budget requests. The Accounts Tribunal passes on the legality of the provisions. The Executive Council examines them for appropriateness and content, in terms of the government's policies. If the Boards acquiesce in the criticisms and recommendations for changes of these organs, the Assembly is notified of the budget but not consulted. If the conflict has not been resolved, the Assembly has 40 days within which to resolve it. If the Assembly does not act in this period, it is assumed to have supported the Executive Council, and the modified version of the original request is considered enacted. Article 222, pars. 1-3. See 2 *Tratado*, 188-191.

The budgets of the decentralized services are incorporated into the ordinary budget and enacted in the usual fashion. Constitution of 1952, article 222, par. 5. 2 *Tratado*, 193-194.

A decree by all Ministers, dated 9 July 1954 (1954 *Registro*, 601-666), provides that all Ministers shall sign proposed decrees and bills relating to their departments. The custom confirmed by this decree has been that budget bills are signed by all Ministers. In 1960 the draft budget bills were signed only by Finance Minister Azzini. The matter particularly came to a head regarding the budget requests in the Ministry of Education. *El País*, March 19, 1960. It was apparent that Azzini ignored the draft prepared in the Education Ministry to submit his own. The discrepancy brought about a pressure fight in which several strikes by teachers occurred. *El Plata*, July 28, 1960. Also, *supra*, 118.

²³³ 2 *Tratado*, 191-193. Law 12,150, 22 October 1954 (1954 *Registro*, 957-958). Article 222, par. 6, of the 1952 constitution states that a special law shall fix the percentages of the budgets of Entes Autónomos which may be devoted to costs of administration and salaries, however.

²³⁴ 2 *Tratado*, 193-194.

²³⁵ Article 219, constitution of 1952.

²³⁶ Article 220, constitution of 1952.

²³⁷ Article 218, constitution of 1952. The provision is bolstered by article 86, which provides that the establishment or elimination of jobs, the fixing or modification of salaries levels, and authorizations of expenditures may be made only through budget laws which must introduced by the Executive Council.

²³⁸ 3 *Con. 52*, 121. 7 *Con. Nac.*, 182-183.

²³⁹ *Administración*, 30-31, makes the general observation that the budget does not contain all expense items, and that many carry-over expense items are based on earmarked tax revenues. An example of this is tickets in Montevideo to legitimate or motion theatre presentations in privately owned theatres; exactly 50% of the sale price of such tickets goes to the government, but this revenue is split among ten different purposes, all of which are listed on the face of the ticket. Another example was offered by private bankers who were interviewed; all bank transactions are subject to small taxes, in some cases as many as 14. As a result, these banks must employ many extra employees to do the paper work, although the yield of many of these taxes is so small as to cast serious doubt on their ability to pay the wages of the government officials whose duty it is to collect the tax payments.

²⁴⁰ 3 *Con. 52*, 118-121, discusses the fact that the calendar and fiscal year coincide. Jiménez de Aréchaga observes that this should not be true. His reason is that the calendar year does not coincide with the crop and weather year, and that therefore the government is forced to close its books at the period of high withdrawal of funds and little tax income. This argument appears open to challenge, however; the legislative year is timed to support the present fiscal year. *Foreign Commerce Weekly*, April 17, 1961, reported that the last two months of the fiscal year habitually produce nearly 40% of the annual revenue of the government. On November 1, 1960, 867.3 million pesos had been collected. Total revenue for the year was expected to be 1,475 million pesos.

²⁴¹ Constitution of 1952, article 84, par. 5.

²⁴² *Ley de Ordenamiento Financiero y Reajuste Administrativo* (Law for financial administration and readjustment), #11,925, 27 March 1953, (1953 *Registro*, 327-350).

²⁴³ By article 215 of the constitution of 1952, the Executive Power is authorized "to propose the modifications which [it] considers essential for the budgets. . . ." 3 *Con. 52*, 120, observes that this appears to indicate some uncertainty on the part of the "Committee of 25" in the Chamber of Deputies, which discussed the constitutional draft, as to the viability of the quadrennial arrangement. The 1956 budget does contain such increments, however, and predicts both general income and expenditures for each year. The government's leaders admitted publicly that these can only be regarded as guesses, however.

²⁴⁴ The *Contaduría General de la Nación* (Accountant-General of the Nation) is established by the budget law of 1953 (27 March 1953, 1953 *Registro*, 327-350). This officer serves within the Treasury Ministry. See *Administración*, 39, for comments regarding the office.

²⁴⁵ Pastori, *op. cit.*, 162. Rule 112, of the Deputies, and rule 69 of the Senate establish Committees on Treasury, with responsibility for study of government account procedures. There are no public records of the action of these committees on the annual reports by the Executive Power, however.

²⁴⁶ Constitution of 1934, article 204 (B) and (D). The corresponding provisions are found in 1952 constitution, article 211 (B) and (D).

²⁴⁷ Nilo Berchesi, *Contralor de los gastos públicos* (Montevideo University of Montevideo, 1957), 25-32, contains the bill presented by the Tribunal in 1934; p. 48-58 contains its 1945 bill. Its third draft was prepared in 1957; *ibid.*, 68-71.

The basic law for the Accountant-General contains norms for the supervisory powers of this officer over the reporting of accounts by the operating agencies of government. The law provided that the office would work out informal agreements with the Tribunal by which the two agencies would cooperate. Note 242, *supra*.

²⁴⁸ Interview, Carlos Quijano, July 1, 1960. The contents of the very short bill sent to the Assembly by the Executive Council are presented in *El País*, July 1, 1960.

El Bien Público (air edition), March 17, 1959, commented editorially regarding the increasing tendency of governmental officials to ignore the plain letter of the constitution in regard to reporting and accounting, under Colorado governments. It stated its hope that the newly-elected government would improve matters.

²⁴⁹ Article 172, constitution of 1952, provides for the residence period for Executive Councillors; the corresponding provision for Ministers is found in article 173. The six-month period is, in effect, a statute of limitations. Regarding the maintenance of the *residencia* in colonial Spanish America, see Haring, *op. cit.*, 143-153.

²⁵⁰ *Administración*, 31-33, comments in a discouraged tone.

²⁵¹ *Ibid.*, 57-70.

²⁵² Article 168, par. 10, constitution of 1952, provides that Senate approval must be given to the discharge of a "budgeted" employee. Senate rules 95-97 govern internal procedures in this regard. In 1960 the newly elected Blanco Departmental government of Canelones removed about 700 employees who had been either temporary or on contract; the move was motivated by a combination of political expediency and desire to economize. It brought about an open break with the Departmental Junta (legislature) and within the Departmental Council. *El País* and other newspapers of Montevideo, March 16, 1960, et sec.

²⁵³ Interview, Héctor Goldie, June 16, 1960. This discussion dealt specifically with job evaluation and rating in the administrative services of the Montevideo city administration. Also, interviews with Daniel Vaz, Banco de la República, July 7, 1960, and with Dagoberto Balarini and Anibal Boccardi, ANCAP, July 29, 1960.

²⁵⁴ Decree, Minister of Industry and Labor, 19 November 1958 (1958 *Registro*, 1319-1346). The decree arose from a decision in an administrative courts case based on the appointment of a woman Notary to a comparatively unimportant "technical" post.

²⁵⁵ Constitution of 1952, articles 59-61. Article 59 states that under a special law there shall be established a Statute of Functionaries "on the fundamental basis that the functionary exists for the duty and not the duty for the functionary". Article 60 provides that "the administrative career" shall be established for budgeted employees of the Central Administration. "Functionaries of a political character or of special confidence shall not be included within the administrative career", especially those who are confirmed in their appointments by the Assembly at the request of the Executive Power. The Administrative Appeals Tribunal has interpreted this latter article to govern in the cases of employees of commercial and industrial autonomous entities, as well as the Departmental governments within certain cases. Judgment of November 8, 1956. 34 *La Justicia Uruguaya*, 132-144, case no. 4396. This publication is the semi-official reports series for Uruguay.

Article 61 continues with the observation that the Statute of Functionaries will establish the conditions for employment, rights within the job and career, promotions, time off from the job, discipline and working conditions. The matter is discussed further in *Bandera*, 484.

The Statute of Functionaries was first called for by the constitution of 1934, article 57; Decree-law 10,388, 13 February 1943 (1943 *Registro*, 600-607), established it. The Statute provides that hiring shall be based on merit as demonstrated through oral and written examinations, but does not create a central examining bureau; each agency establishes its own examining bureau. Employees are in probationary status for six months after employment; even during this period, however, discharge occurs only after the filing of formal charges with six days' notice to permit the employee a defense at the discharge hearing. Technical positions are to be filled only by competitive examination, with the contestant's experience, publications and accomplishments to be considered. Promotions principally are to be based on longevity and merit, but may also be determined by competitive examinations. All employees receive a minimum of 20 days' annual leave, and expectant mothers receive 30 days prior to and 30 days after the birth, with pay.

Fixed salary scales made their first legal appearance in law 9,539, 21 December 1935, (1935 *Registro*, 972), which established a 26-grade scale for employees of the Ministry of National Defense.

A special appeals Tribunal for all disciplinary measures against career employees was established by Law 10,650, 14 September 1945 (1945 *Registro*, 808).

²⁵⁶ Constitution of 1952, articles 62 and 63.

²⁵⁷ Constitution of 1952, article 65.

²⁵⁸ Constitution of 1952, article 66.

²⁵⁹ Decree, Minister of Hacienda, 17 December 1957 (1957 *Registro*, 1424-1432), article 2. Asociación de Bancarios del Uruguay, *Convenio colectivo de trabajo*, 1 enero 1957-31 diciembre 1959, is the collective contract for private bank employees for the period indicated. Its article 78 establishes a bipartisan *Comisión de Aplicación del Convenio* (Committee for application of the contract), and a *Comisión Económico Asesora* (advisory economic committee), also a bipartisan body, for the examination of the contract's norms and their application. The contract is parallel to that which exists for employees of the Banco de la República.

²⁶⁰ Constitution of 1952, article 58, par. 2.

²⁶¹ For useful background material, see James D. Kitchen, "National Personnel Administration in Uruguay", 4 *Inter-American Economic Affairs*, 45-58, (Summer, 1950). Also, see *Administración*, 54-71, for a more recent analysis of personnel administration problems and policies.

²⁶² Scale I, Technical and Professional Employees, 1960 Budget, with scheduled progressive biennial increments. Pesos/month.^a

Classification "A" salaries, with raises.*

Category	Grade	1961	1963	1965	1967
Extra	1	1,200	1,400	1,600	1,800
	2	1,400	1,600	1,800	
	3	1,600	1,800		
II	4	1,800			
	5	2,000	2,200	2,400	2,600
	6	2,200	2,400	2,600	
I	7	2,400	2,600		
	8	2,600			

*Classification "A" jobs are performed only by professionals, where the professional title is essential to the performance of the duty. University training is required.

Classification "B" salaries, with raises.**

Category	Grade	1961	1963	1965	1967
Extra	1	1,000	1,200	1,400	1,600
	2	1,200	1,400	1,600	1,800
	3	1,400	1,600	1,800	
II	4	1,600	1,800		
	5	1,800			
	6	2,000	2,200	2,400	2,600
I	7	2,200	2,400	2,600	
	8	2,400	2,600		

**Classification "B" jobs involve completion of secondary school and some advanced training with the award of a certificate or diploma.

Classification "C" salaries, with raises.***

Category	Grade	1961	1963	1965	1967	1969	1971
Extra	1	450	500	550	600	650	
	2	500	550	600	650		
	3	550	600	650			
II	4	600	650				
	5	700	750	800	850	900	950
	6	750	800	850	900	950	
I	7	800	850	900	950		
	8	850	900	950			

***Classification "C" jobs involve other specialists who have met conditions imposed by a public authority or have received a certificate or diploma.

^aSource, *Budget*, 1067-1071; (articles 5-8, 33-34, Ley de Sueldos).

²⁶³ A detailed analysis of Foreign Service pay and special increments is presented in *Incógnita*, 71-77. Through the operations of a conversion table, pesos are transferred into dollars at a rate which permitted an Uruguayan general assigned as an Ambassador to receive a monthly salary in excess of that of any other regularly salaried public official in the world other than that of some officers of the United States. A civilian Ambassador received a comparatively modest salary, \$13,968 annually; the military Ambassador received \$31,956 annually. In each case representation allowances were extra. The figures are for 1955.

Budget, 1070 (articles 29-30), establishes the base salaries in pesos for Foreign Service officials at approximately 2.5 times that prevailing in 1955:

Category	Grade	Title or Rank	Monthly pay (pesos)
III	Y1	Chancellor.....	900
	2	3rd Secretary or 3rd Class Consul.....	1,200
II	Y3	2nd Secretary or 2nd Class Consul.....	1,400
	4	1st Secretary or 1st Class Consul.....	1,600
I	Y5	Councillor or 2nd Class Consul-General.....	1,900
	Y6	Minister or 1st Class Consul-General.....	2,200
	Y7	Ambassador.....	2,500

²⁶⁴ Scale III, Administrative Personnel, Central Administration.
Monthly pay, in pesos, and biennial progressive increments.*
Base Salary

Category	Grade	1960	1961	1963	1965	1967	1969	1971	Title of Rank
sub-IV	Y 1	260	400	450	500	550	600	650	Aide, 5th class
	2	270	450	500	550	600	650		Aide, 4th
IV	Y 3	280	500	550	600	650			Aide, 3rd
	4	290	550	600	650				Aide, 2nd
	5	300	600	650					Aide, 1st
	6	320	700	750	800	850	900	950	Officer, 5th class
	7	340	750	800	850	900	950		Officer, 4th
III	Y 8	360	800	850	900	950			Officer, 3rd
	9	390	850	990	950				Officer, 2nd
	10	410	900	950					Officer, 1st
	11	450	1,000	1,100	1,200	1,300	1,400		Subchief
II	Y12	490	1,100	1,200	1,300	1,400			Chief, 3rd class
	13	540	1,200	1,300	1,400				Chief, 2nd
	14	600	1,300	1,400					Chief, 1st
	15	670	1,600	1,800	2,000	2,200	2,400		Subdirector
	16	730	1,800	2,000	2,200	2,400			Director of Dept.
I	Y17	940	2,000	2,200	2,400				Director of Division
	18	over 940	2,400						Director-General
Above category		over 2,400							Not stated

* *Budget*, 1068-69, 1071, articles 12-15, 21, 34.

The present scale represents some simplification from that established by the 1953-1955 budget; at that time there were 5 categories and 26 grades. Law 11,925, 27 March 1953 (*1953 Registro*, 326-350).

²⁶⁵ Scale IV personnel are paid on the basis of the grades provided for Scale III. Assignments are at the discretion of the supervisors. *Budget*, 1069, article 22.

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Scale V, Secondary and Service Personnel, Central Administration.

Monthly pay in pesos, and biennial progressive increments.^a

Category	Grade	1961	1963	1965	1967	1969	1971	1973	Title of Rank
sub-III	1	400	450	500	550	600	650		Assistant, 5th
	2	450	500	550	600	650			Assistant, 4th
III	3	500	550	600	650				Assistant, 3rd
	4	550	600	650					Assistant, 2nd
	5	600	650						Assistant, 1st
	6	700	750	800	850	900	950	1,000	Encargado (person in charge)
	7	750	800	850	900	950	1,000		Sub-janitor
II	8	800	850	900	950	1,000			Janitor
	9	900	950	1,000					Subintendent 2nd
	10	1,000							Subintendent 1st or Intendent 2nd
I	11	1,100							Intendent 1st

^a*Budget*, 1069, 1071, articles 23-25, 27.

²⁶⁷ *Incógnita*, 25-26, cites instances of disparities in 1955. At that time a professional doctor's salary ranged from the Chief, Medical Division, ANCAP, at 920 pesos monthly for a three-hour duty day, to a 2nd class Medical Specialist for the *Consejo de Enseñanza Primaria* (Council for Primary Education, the "School Board" for primary instruction) at 240 pesos monthly for an eight-hour day.

²⁶⁸ *Ibid.*, 26. At the time of this study, salary distributions were as follows: (Central Administration, in pesos monthly.)

Salary range	to 200	201 to 300	301 to 420	421 to 600	601 to 800	801 to 1200	1200 to top
Percent of employees included	42.4%	39.6%	10.9%	4.7%	1.7%	0.63%	0.07%

Thus, 80% of all employees received 350 pesos monthly or less, including all Autonomous entities, whose salary scales were about 15% higher at that time. Experience showed at this time that the cost of decent living for a family of four was about 300-400 pesos monthly.

Ibid., 127-142, examined the morale of public employees. The study reported that low pay was the principal cause of discontent. 53% of all employees represented themselves as discontented with government employment, and 38% of all employees reported themselves discontented because of low pay. Other causes of discontent, in order, were: little chance for promotion, 9%; no respect for promotion rights, 4%; too much work or uncomfortable work, 4%; too much favoritism or politics, 3%; no recognition of meritorious employees, 3%; bad hours with no days off, 2% (police were the principal source of such a report, officially; they had one day off per month); no stimulus in the work, 2%.

This writer's observations in 1960 indicate that a very modest cost of living at that time, in accustomed terms, would be at least 1,200-1,500 pesos monthly, for a family of four. A moderate standard of living, which would provide meat daily, moderate replacement of clothing, some amusements, and decent housing, would run between 1,800 and 2,300 pesos monthly. A good standard would run to 3,000 pesos.

²⁶⁹ *Ibid.*, 5-9. 17% of all government employees were women. The average government employee was 38 years of age. 60% were married and 10% were widowers. 48% had children in their charge. Their training had been above the average for the country, with only 2% illiterates, 54% graduates of Primary schools, 30%

graduates of Secondary schools (10th year), 14% with some University or Preparatory training. *Ibid.*, 15-20.

²⁷⁰ *Ibid.*, 39-43. The "Work Week" as generally defined by the public was 5 hours daily for Monday through Friday, plus 4 hours on Saturday. Since that time, Saturday closings have become general in government offices, and the week-day hours have been lengthened slightly.

²⁷¹ *Ibid.*, 91-99. The study observed that the lowest-paid ranks included those unable to hold second jobs because of official restrictions, such as police, military enlisted men, etc. On the other hand, the higher-paid employees usually are professionals, whose services are in demand elsewhere. 49% of all holders of second jobs were part-time teachers. Teaching positions are almost always excluded from the prohibition on second jobs in Uruguay, provided they are part-time (which most of them are), except for military or police personnel without special permission. It is this provision which enables the University and Secondary schools to obtain personnel of high training without much remuneration. In 1960, for example, a Full Professor in the University of Montevideo was paid 450 pesos monthly for one course. An Associate (*Agregado*) received 350 to 300 pesos monthly, while an Assistant (*Asistente*) received less.

²⁷² *Ibid.*, 107-112, observed that there were a few "super-employees", who held two outside jobs while in government employment, or taught in two different institutions while holding a regular government job. Of the 11,000 who admitted holding two government jobs, 3,000 were teachers.

The 1953 budget stated in article 32 that no employee, other than those whose second job was in teaching, could hold 2 government jobs; those who did would have 360 days in which to drop one of them. After this period, the Accounts Tribunal would report to the General Assembly the names of all in violation. By the end of the year's grace period, only 3 minor government offices had reported to the Tribunal, and that body neither reported nor bothered to investigate the reasons why the offices had not reported to it. Therefore the Assembly extended the time period for an additional 120 days; when this failed of its purpose, the period was extended an additional 180 days. Finally, the provision was suspended until a new budget should be written. These four laws are, respectively, 11,923, 27 March 1953 (*1953 Registro*, 225-291); 12,110, 16 June 1954 (*1954 Registro*, 498-499); 12,152, 22 October 1954 (*1954 Registro*, 960-961); and 12,201, 5 July 1955 (*1955 Registro*, 609-610).

The study pointed out that the usual way in which employees hold two jobs is to hold one "budgeted" job, which is literally earmarked to the individual employee, and to hold one "global" or non-tenure job. The study, and interview material, observed that "global" appropriations often permit the placing of personal "friends" on the government pay-roll for the benefit of higher-ranking officials.

²⁷³ *Incógnita*, 60, reported that in 1955 about 14% of all government employees received year-end bonuses.

The study reported a wide variety of average monthly salaries (at p. 23-24):

Banco Hipotecario.....	425	PLUNA (airlines).....	270
Banco de la República.....	400	UTE (telephones and electric)....	267
Caja Nacional de Ahorros Postales.	375	ANCAP (petroleum, etc.).....	264
Administración Nacional de Puertos	360	AFE (railroads).....	247
Banco de Seguros.....	310	OSE (water system).....	230
Instituto de Colonización.....	305	Montevideo departmental.....	364
		Central Administration.....	350

²⁷⁴ Law 12,691, 31 December 1959 (*1959 Registro*, 1484-1495). A law enacted in December, 1960, made an *aguinaldo* of 200 pesos compulsory for all private employees for 1960. In the future, it would be one month's pay. *Fortnightly Review*, January 14, 1961.

²⁷⁵ Decree, Minister of Treasury, 23 February 1954 (1954 *Registro*, 161-171), established such pay for tax-collecting offices. Decree of the Minister of 27 January 1954 (1954 *Registro*, 82-88) established it for employees of the office of the retirement fund for Industrial and Commercial Employees who collected worker contributions. Decree of the Minister of Industry and Labor, 23 March 1954 (1954 *Registro*, 226-230), established it for employees of the *Instituto de Química Industrial* (Industrial Chemical Institute).

Incógnita, 47-48, observes that this is "the worst scandal" of the budget. Employees who get the bonus fight to keep it and to prevent others from having it; those who do not have it fight to get it. The result is a sort of "civil war". The bonus was first established for employees of the Office for Collection of Taxes on Surplus Profits (*Ganancias Elevadas*), to compensate them for employment in an office where the job was announced as temporary and unpopular. By 1955, however, all employees of the Treasury Ministry were receiving the bonus, whether temporary or not. *Ibid.*, 51-57, gives details for the calculation of the size of the bonus.

²⁷⁶ *Ibid.*, 62-63. Interviews supported this statement in at least five different major divisions of the government service.

²⁷⁷ *Ibid.*, 63-66. Article 43 of the Ley de Sueldos of 1953 (1953 *Registro*, 225-291), provided for an annual raise for enlisted police of 120 pesos after 5 years' service. This would be repeated after 10, 15, and 20 years' service as well. All longevity calculations would begin effective January 1, 1950, however. Teachers, however, received a base salary increment of 40 pesos monthly after 4 years' service, and this was repeated after 8, 12, 17, and 22 years. Secondary teachers were paid at the rate of 17.60 pesos weekly per daily class hour in the first 5 years of service, a figure which increased every five years to 26.00 pesos, 26.50 pesos, 29.50 pesos, 37.00 pesos, and finally to 43.00 pesos after 25 years' service.

Article 48 of the Ley de Sueldos of 1960 (*Budget*, 1072), provided that police officers would receive a biennial increase of 50 pesos monthly through the grade of Alferez (a rank equivalent to warrant officer), and of 100 pesos monthly above that rank.

²⁷⁸ *Incógnita*, 68. Teachers received a 10% bonus on their base pay for service in rural areas, and an additional 10% for "bad locations", principally in isolated interior areas.

²⁷⁹ Monthly Military pay, plus "compensations", 1955 and 1961.^a

Rank	1955			1961		
	base pay	compensation	total	base pay	compensation	total
General.....	830	170	1,000	2,600	500	3,100
Colonel.....	769	131	900	2,200	400	2,600
Lt. Col.....	682	118	800	1,800	375	2,175
Major.....	565	115	680	1,500	350	1,850
Captain.....	448	112	560	1,200	300	1,500
1st Lt.....	329.50	110.50	400	900	250	1,150
2nd Lt.....	276	104	380	800	225	1,025
Alferez.....	232.50	97.50	330	700	200	900
1st Sgt.....	195	70	265	600	70	670

^a 1955 figures, *Ibid.*, 69; 1961 figures, *Budget*, 1070, article 26.

The 1961 budget includes no "compensations" for police officials below the rank of Captain. Captains, Majors, Inspectors, and Subchiefs in Interior Departments receive a monthly increment of 200 pesos; Interior Chiefs, and Montevideo's Subchief and Chief receive 250 pesos monthly. *Budget*, 1070, article 27.

It is implicit in these provisions regarding "compensations" that government jobs are not regarded as "full-time". Therefore, employees who are expected to be available on a full-time basis, or who are prohibited from accepting further employment, are compensated.

²⁸⁰ Law 10,449, 12 November 1943 (*1943 Registro*, 1650-1660) established this principle. Law 11,618, 20 October 1950 (*1950 Registro*, 1311-1322), established the Central Council for Family Allowances, in order to coordinate what had become a complex and confusing system. The Council actually was not activated until 1953, however. Decree, Minister of Education and Social Welfare, 1 September 1953 (*1953 Registro*, 861-876).

²⁸¹ *Incógnita*, 84-91.

²⁸² Law 12,543, 16 October 1958 (*1958 Registro*, 1120-1123) established the ceiling for private employees' eligibility for benefits at 750 pesos monthly; this was the ceiling in force at the time of this research in 1960. It was provided that in the future the Executive Council would be able to adjust the ceiling to costs of living by decree, on the advice of the Central Council for Family Allowances. It was also provided that any employee with more than two dependents would be able to enjoy a rise in the ceiling for eligibility of 50 pesos monthly per dependent. Article 2 provided that where both adult members of a family worked, both salaries would be counted in determining if the ceiling had been reached; the law specifically referred to "concubines" in lieu of wives, where such a relationship might exist—a concession to reality existing in the Interior Departments!. Article 3 provided that benefit payments would be 15 pesos monthly each for the first and second minor beneficiaries, 20 pesos monthly each for the third and fourth, and 25 pesos monthly for all after the fourth.

Law 12,691, 31 December 1959 (*1959 Registro*, 1489), established the ceiling for public employees at 650 pesos monthly.

²⁸³ Law 9,624, 15 December 1936 (*1936 Registro*, 911-915). It is common practice, nearly throughout Latin America, that a renter is required either to post something of value as a guarantee that the owner will not suffer damages, or obtain a guarantor who obligates himself to pay such damages. This is less embarrassing than it would be in the United States, since it is accepted practice. It does entail some difficulties, however. In 1949-50 in Montevideo, this writer posted his return tickets to the United States and Passport with the real estate agent as evidence of his good faith!

Incógnita, 144-145, indicates that employees who have benefited by the rent guarantee arrangement (the data provided a useful source of information, rather than indication of imposition by the government) lived in considerably more modest circumstances than those who had bought homes through government facilities, regardless of the size of their households; 33% lived in two rooms, and 29% in three rooms.

²⁸⁴ *1921 Registro*, 338-343. José Serrato later was President of the Republic, 1923-1927. The law provided (article 3) that the property had to be used exclusively as the residence of the borrower, at least until the debt had been reduced to 70% of the original loan. The sole lending institution under the arrangement in the Banco Hipotecario del Uruguay, the government's Mortgage Bank. The mortgage would be for 6%, 30 years, and in cases where the Bank acted as agent, without down payment. A later modification, Law 9,385, 10 March 1934 (*1934 Registro*, 1037-1043), provided for a 10-year real estate tax exemption on the first 5,000 pesos' assessed valuation.

The original law was not extended to properties outside the Department of Montevideo until 1936, by law 9,560, 17 April 1936 (*1936 Registro*, 301).

Progressive modifications of the basic policy have broadened the coverage of these provisions. In order to support these changes, the various retirement Funds have been required by law to place up to 50% of their income from premiums in bonds of the Banco Hipotecario. For example, see law 12,088, 22 December 1953 (*1953 Registro*, 1765-1768), which provides the Bank Employees' Pension Fund with the option of placing the 50% of its income in government bonds or Bank bonds.

As this steady financial support for real estate has caused speculative building and great inflation of prices and rents, the government has been forced to raise ceilings and often to lower interest rates. Thus this law permits 50,000 peso loans (the original ceiling was 10,000 pesos) for 30 years at 5% or less.

²⁸⁵ Carlos Rama, "La vivienda y las clases sociales en el Uruguay", 20 *Sociología* (March, 1958), 67-83, examines the relationship of home ownership to social prestige in Uruguay and other countries.

²⁸⁶ *Incógnita*, 142-144. Data provided by the Banco Hipotecario showed that 10% of all government employees who had borrowed to build, buy, or remodel homes, lived in one-room structures, 33% in two-room homes, and 29% in three rooms. Only 2% owned houses of 6 or more rooms.

²⁸⁷ *El Debate*, June 29, 1960, offered some analysis of the situation precipitated in the Ministry of Public Health in 1958 as the result of the decision to put all hospital employees on 6-hour shifts in place of 8-hour shifts. Absenteeism prior to this time had been running between 27% and 30%, due to "illness", vacations, and simple irresponsibility. The Colorado government argued, in typical Uruguayan fashion, that the situation could be handled not by discipline but by hiring more employees. As a result, 1,449 new jobs were created, and the budget could no longer be made to purchase medicines and essential hospital equipment, but rather only to pay the salaries of the new employees. Absenteeism remained as high as before. See *Incógnita*, 112-118, regarding absenteeism and the various reasons given for failure to do jobs properly. Also, *ibid.*, 177-184.

Interviews with individuals of both Colorado and Blanco affiliations showed support for critical positions in this regard. One official reported that he had headed an office with four employees in one of the government businesses; he had been having trouble finding work for them all to do. He was forced to undergo a series of operations with some lengthy hospital recuperation. When he returned he found that his replacement, whom he superseded, had used the three months' period to obtain nine more employees.

An old joke in Uruguay has it that in many offices, promptness is assured in the mornings by having fewer chairs than employees; late employees stand throughout the day. This writer is more than a little inclined to believe it may be true, if appearances are any support.

²⁸⁸ *El Bien Público* (air edition), August 26, 1958. The management attempted to reason with the employees with an open letter, which is reprinted in part in this issue. Although at the time the average government employee was receiving 420 pesos monthly, the average railroad employee received 555. Although the railroads' annual budget was for 110,000,000 pesos, of which 80,000,000 went for wages and salaries, its earned revenues were only 50,000,000. This left a deficit of 60,000,000, which the treasury was forced to give. The Directors therefore pointed out that any raises would come directly from the treasury, and would contribute to "the happy decrepitude of the railroads".

Only a few months previously, clear evidence had been uncovered of sabotage by disgruntled railroad employees. *El Bien Público*, January 14, 1958.

²⁸⁹ *El País*, March 12, 1960. Also, *El Plata*, March 10, 1960.

²⁹⁰ It is illegal for an individual to charge a fee for assisting in the collection of pension payments legally due. It is clear from long experience that red tape and bureaucratic indifference may produce delays of up to five years in the receipt of payments, however. One of a constant run of scandals on this point broke in February, 1960, when such an expediter was arrested. He had demanded a substantial percentage of the benefits for his assistance. *El País*, February 13, 1960. In its February 9th issue, *El País* observed that the Fund for Pensions for Rural, Domestic and Aged Workers was up to 2 years in arrears in the commencement of payments on 3,800 applications which had been approved, principally for lack of funds. This Fund is most heavily dependent on State appropriations, since its contributors are least able to make payments, although under the law they are entitled to collect pensions, withal modest ones.

²⁹¹ IUDOP interviews in 1956 showed that the average respondent saw nothing wrong with the use of fraudulent representations in order to obtain a pension from the government. Explanations for this attitude appeared to indicate that they felt it only an appropriate personal response to the inefficiency and indifference on the part of officials responsible for the granting of these pensions. *Encuesta los sucesos del año* (Montevideo, 1956), 25-30.

CHAPTER V

¹ Carlos M. Rama, *José Pedro Varela, sociólogo* (Montevideo, Editorial Medina, 1957), 1. This work is cited hereinafter as *Sociólogo*. Also, *Portrait*, 198-204. In addition, Telmo Manacorda has written *José Pedro Varela* (Montevideo, Consejo Nacional de Enseñanza Primaria y Normal, 1948), which is described in the preface as a prize-winning biography; its contribution to knowledge of Varela is slight, however.

² Manacorda, *op. cit.*, 87-89; *Sociólogo*, 6-11, 17-20. Rama rejects specifically the notion that Varela was influenced heavily in his thinking by positivism, although this has been suggested by some non-Uruguayan writers.

³ Alison Bunkley, *The Life of Sarmiento* (Princeton, Princeton University Press, 1952). Also, see Bunkley (editor), and Stuart E. Grummon (translator), *A Sarmiento Anthology* (Princeton, Princeton University Press, 1948).

⁴ Varela commenced publication of his magazine *Educación Popular*, as the journal of this society, in 1869. Although not the Society's first President, he assumed the office in 1869 on the death of his predecessor. *Portrait*, 201; and *Sociólogo*, 35, 58, and 60.

⁵ Quoted in *Sociólogo*, 32.

⁶ Law of 24 August 1877 (4 Col. Leg. 632-646). The decree-law specifically refers to the draft proposed by Varela, and studied and revised by a committee of seven members. The law established the *Dirección General de Instrucción Pública* (Public Instruction Agency), to be headed by an Inspector-General to be paid the rather handsome salary of 4,800 pesos annually. Varela was appointed the first occupant of this position. The law also provided that all schools, both public and private, would be placed in a system in which each would be related to the other. The public schools would be free at all levels, and attendance would be required of all school-aged children. Parents and guardians who did not cause compliance with the law by their children or wards would be subject to fines.

⁷ *Portrait*, 202-212, discusses the effects of his work in a comprehensive review of the grade school system of Uruguay. *Sociólogo*, 49-54, discusses the groups which supported Varela's reforms: professional groups, immigrants, commercial organizations, resident foreigners, industrialists, speculators, workers and unions, women, and professional military personnel, all find their place in Dr. Rama's list.

⁸ *Ibid.*, 20-22. Varela argued for the lay, public school, rather than the religious schools, in his *La educación del pueblo*, by saying, (1) the public school follows a social end and not a religious one; (2) "The State is a political institution which is obligated to guarantee persons and properties . . . and the school established by the State should be as lay as it is"; (3) the free school is supported by all tax payers, including Catholics as well as non-believers; it should be considered that two-thirds of Uruguay's population is composed of foreigners, many of them protestant immigrants; (4) to allow the clergy to control education would be to hand over to it the direction of the government and of society; (5) "the schools do not propose to register children in one or the other of the political parties, but to give them the understanding necessary to judge for themselves and to determining where good and bad lie"; (6) "it is impossible to associate in the schools the objective teaching which ought to serve as a basis for all rational systems of education, with the essentially subjective teachings of dogma". Quoted at *Ibid.*, 22.

Rama points out (55-56) that Varela reacted very strongly to the *Syllabus* of December 8, 1864 by Pope Pius IX, which regarded public lay education as serious error.

⁹ *El banquete de la paz* (Montevideo, Editorial La Paz, 1872), 76-77.

¹⁰ *De la legislación escolar*, 24, 25, 27, as cited in *Sociólogo*, 28. At the same time, Varela warned that continuous instability might well attract Brazilian seizure, and cited recent Brazilian parliamentary debates in which the possibility of re-established control over Uruguay was discussed. *Ibid.*, 45-46.

¹¹ *Ibid.*, 33-34. Varela pointed out that the scant data available indicated the country had only 500,000 population, but that Montevideo had 80% of all commerce at the time, 67% of all property values, and only 20% of its population. He pointed

out the degree to which Uruguay suffered from an extremely low birthrate, "that vice of voluntary sterility, essentially Catholic and Latin".

¹² Arturo Ardao, "José Pedro Varela y la Universidad", *2 Nuestro Tiempo* #4, (August, 1955), 63-67. The bulk of this short article is composed of fragments from Varela's *De la legislación escolar*, a book long out of print.

Varela's attack on the University held that its Law School graduates, who received the title of *Doctor*, were really the political agents of the great feudal interests and the caudillos of the interior. These he called the *doctores*, a word made famous as expressive of a state of mind and of a period, and subsequently used extensively in political writings by other writers. Varela argued the ideology of University teaching must change to a sense of responsibility, and that it must oppose the elitist attitudes of the interior. In his *De la legislación escolar*, he wrote, "... the written institutions do not adapt themselves to the condition of society; while the rural populations cannot conceive anything but the absolutism of the caudillo, the urban populations, led by the team of the *doctores*, are led astray, since the teaching of the University inculcates theoretical ideas which only serve to divide the classes." Quoted in Alberto Zum Felde, *Proceso Intelectual del Uruguay* (Buenos Aires, Editorial Claridad, 1941), 135.

¹³ In 1876 Varela defended himself against the charge that he was merely rephrasing Herbert Spencer's ideas. He pointed out that his could not have come from Spencer, since the first full statement of his position, *La educación del pueblo*, appeared in Montevideo at virtually the same time as the work of Spencer's which it was claimed he had copied. *Sociólogo*, 14-15. Arturo Ardao suggests that he gave firm impulse to positivistic thought in Uruguay after 1875, however. See Ardao's *La filosofía en el Uruguay en el siglo XX* (Mexico, Fondo de Cultura Económica, 1956), 15.

¹⁴ *Sociólogo*, 16-22. Both writers are discussed briefly but usefully in J. Fred Rippy, *Latin America, a Modern History* (Ann Arbor, University of Michigan Press, 1958), 319-324. Alberdi's famed contribution to Argentine constitutional discussions is his *Bases y puntos de partido para la organización política de la República Argentina* (Buenos Aires, Ediciones Estrada, 1943).

¹⁵ *Sociólogo*, 25.

¹⁶ *Ibid.*, 29.

¹⁷ The degree to which Varela's propensity toward positivism led to that philosophical movement's entrenchment in the University is discussed briefly in Arturo Ardao's contribution in *Batlle, obra y vida*, at p. 29-30, "Ideas filosóficas de Batlle".

¹⁸ Zum Felde, *Proceso intelectual*, *op. cit.*, 134.

¹⁹ *História 1865-1897*, 192-198. The persistent rejection of Latorre by the "princistas" contributed ultimately to his fall on March 13, 1880.

Before Varela's death, many of his opponents among the *doctores* conceded his earnestness and rectitude. Carlos María Ramírez, with whom he had carried on a running polemic for several years, took the lead in remarking, "the banner of the modern spirit, the banner of our social regeneration, is in the hands of . . . Varela . . . For my part, I am pleased to salute him . . . with the title of the Horace Mann of Uruguay." Quoted in Zum Felde, *Proceso intelectual*, *op. cit.*, 136. See also *5 Obras Históricas*, 96-120, for an account of his work from the beginning of his collaboration with Latorre to his death, October 24, 1879.

²⁰ *Portrait*, 122.

²¹ Zavala Muniz, *op. cit.*, 20-25. *Portrait*, 126. The tone of Batlle's comments made it clear that he was attacking Roman Catholicism and what he regarded as its mystical and obscurantist position. His position was deistic, rational, and opposed to positivism. Ardao, in *Batlle, obra y vida*, 28. Giudice, in his second edition of *Batlle y el batllismo* (Montevideo, Editorial Medina, 1959), 34, reprints from *Espírito Nuevo* what is called Batlle's first published article, dated May 18, 1879.

²² Zavala Muniz, *op. cit.*, 26-32. Giudice (2d ed.), *op. cit.*, 33.

²³ Zavala Muniz, *op. cit.*, 33-65. In the meantime, Batlle was elected President of the Philosophy section of the Ateneo of Montevideo, after his return from Europe. The worsened political condition of the country forced the suspension of the section's activities, and Batlle commenced writing political articles for the newspaper *La Razón*. Batlle remained as a *catedrático* (Professor) of the Ateneo in Philosophy until the end of 1883. Ardao, in *Batlle, obra y vida*, 29.

²⁴ 5 *Obras Históricas*, 279-284, 379. When Santos' successor, General Máximo Tajes, immediately destroyed the partially camouflaged military machinery which he had left behind in an effort to assure his continued control by proxy, Santos tried to return in February, 1887. The crisis was put down, and Santos was required to leave Montevideo again without being allowed to step ashore. *Ibid.*, 380-386.

Latorre also attempted to return, in June, 1887. He, too, was ordered to leave the country, although he was able to live in Montevideo for a few weeks. *Ibid.*, 389-390.

²⁵ Batlle was opposed within the Colorado party by a well-organized minority group led by Julio Herrera y Obes. Simultaneously, Blanco organizational efforts were progressing. *História*, 1865-1897, 287-302.

²⁶ *Portrait*, 126-127. See also Luis Bonavita, "Batlle en Minas", in *Batlle, obra y vida*, 213-218; and Giudice (2nd ed.), *op. cit.*, 63-65.

²⁷ Giudice (2nd ed.), *op. cit.*, 65-66, reports that as Batlle resigned in Minas, Tajes sent a telegram to the political supporters of the ex-dictator Santos in which he expressed the wish that "the new *Jefe Político* will give guarantees to all the citizens". Batlle regarded the implication a personal attack, and demanded an explanation. Tajes did not reply, but the loss of the election was Batlle's punishment. See also Zavala Muniz, *op. cit.*, 90, and 5 *Obras Históricas*, 391-395. The Colorados failed to carry the Departments of Cerro Largo, Paysandú, and Treinta y Tres. In the first and third, the defeat was administered by a coalition of Blancos and Constitutionalists.

²⁸ Giudice (2d ed.), *op. cit.*, 67-70.

²⁹ *Ibid.*, 76.

³⁰ *Ibid.*, 76-83; also, Zavala Muniz, *op. cit.*, 93-118. Batlle argued, with the support of the facts, that the Herrera y Obes government engaged in massive vote frauds, substantial speculation, and was administratively and morally indifferent to the effects of the serious economic depression which swept the country during the 1890-1893. See also, 4 *Obras Históricas*, 489-503, 546-564; and Ramírez, *op. cit.*, 75-77. *História*, 1865-1897, 302-327, 339-364, is perhaps the most comprehensive study of the political events and personalities of the period, however.

³¹ In 1894, Idiarte Borda became President as the selection of Herrera y Obes, and over the vigorous opposition of Batlle. His continued control of the corrupted governmental machinery and unwillingness to undertake necessary reforms, especially regarding voting rights and the assignment of elective offices to favorites, led to Blanco-fomented civil war and to his assassination in 1897. Before the end came, Batlle had been pushed to consider the possibility of a Colorado coup against Idiarte. 5 *Obras Históricas*, 7-28; Zavala Muniz, *op. cit.*, 119-130; Giudice (2nd ed.), *op. cit.*, 84-96; *Historia 1876-1897*, 365-394.

³² Giudice (2nd ed.), *op. cit.*, 97-106; Zavala Muniz, *op. cit.*, 131-151; 5 *Obras Históricas*, 115-150; 154-156.

³³ Giudice (2nd ed.), *op. cit.*, 107-147; 5 *Obras Históricas*, 259-281, 288-293, 352-397.

³⁴ Batlle's father was General Lorenzo Batlle, President of the Republic from 1868 to 1872.

³⁵ Rama, in *Batlle, obra y vida*, 41-42; *Portrait*, 127, reports the average working day in 1895 was 15-19 hours in many Montevideo shops and factories!

³⁶ Giudice (2nd ed.), *op. cit.*, 24-27; Rama, in *Batlle, obra y vida*, 47-48. Roberto M. Giudice, *Los Fundamentos del Batllismo* (Montevideo, 1946), 17, describes the party thus: "Batllismo is a [political] grouping constituted fundamentally for the workers and employees. It includes in its ranks the working class from the city and the country, which is guided by an intuitive perception of its utility. It incorporates both the employee in private activity and the official of the public administration, who see in Batllismo an organization adequate to the expression of their concerns and for the achievement of their aspirations. The interests of each social sector demand, therefore, a political organization which can coordinate, instruct, and organize them. That organization is Batllismo. . ."

³⁷ 7 *Obras Históricas*, 135-142.

³⁸ Constitution of 1952, articles referring to social welfare:

40 "The State will assume responsibility for the social development of the family.

41 "The care and education of children so that they attain their full bodily, intellectual and social potential, is a duty and privilege of the parents. . . .

"The law will provide the means necessary for the protection of infants and juveniles against bodily, intellectual or moral neglect by their parents or tutors, as well as against exploitation and abuse.

42 "Parents have the same duties regarding children born out of wedlock as they have for those born within it.

"Motherhood, whatever may be the condition or status of the mother, has the right to the protection of society and to its assistance in case of helplessness.

43 "The law will provide that juvenile delinquency shall be supervised by special arrangements in which women shall participate.

44 "The State shall legislate in all matters relating to health and public hygiene, in order to attain the physical, moral and social perfecting of all the inhabitants of the country.

"All inhabitants have the duty to guard their health, as well as that of being attended in case of illness. The State will provide preventive and curative means to indigents or to those lacking sufficient means to pay, without charge.

45 "The Law will provide hygienic and economical lodging to the worker, encouraging the construction of housing and neighborhoods which meet these conditions.

46 "The State will give asylum to indigents or persons of insufficient means who, by reason of chronic physical or mental inferiority, are unsuited for work.

47 "The State will combat social vices by means of the Law and of International Conventions.

48 "The right of succession to property will be guaranteed within limits provided by the Law. The direct descendant will enjoy preferential treatment in tax laws.

49 "The 'well-being' of the family, its formation, preservation, enjoyment and promotion, will be the object of special protective legislation."

³⁹ Percentage of Populations in selected Age Groups, 1956.*

Country	0-14 years	15-49 years	50 years or over
United States	27.1	50.4	22.5
France	21.8	50.8	27.4
Belgium	20.6	51.9	27.5
Cuba	36.4	51.1	12.5
Mexico	41.7	47.6	10.7
Venezuela	40.9	49.7	9.4
Uruguay	27.2	53.0	19.6
Montevideo	23.1	55.6	21.0
Interior	31.3	50.7	17.8

* IUDOP, *La salud en nuestro país* (Montevideo, 1957), 10-14. This study is cited hereinafter as *Salud*.

The same study reports (p. 15) that Uruguay had the lowest birth rate in the hemisphere in 1950 (18.5 per thousand); the other independent countries ranged from El Salvador's 48.7 to the United States' 23.5. At the same time, its death rate in 1955 appeared to be very nearly the lowest in the world. It estimated it to be 9.0 per thousand in that year, as against 9.3 for the United States and Italy, and 8.3 for Norway. *Ibid.*, 21-23.

The implication of this gradual aging of the population is brought home by Aldo Solari, in his article "El 'envejecimiento' de la población en el Uruguay y sus consecuencias", 4 *Boletín* #1, (February, 1961), 55-64. Granted the average age for retirement is 60, the length of life, low birth rate, and continued government commitment for support of the aged, will render the burden on the economy unbearable

under its present circumstances. He presents a table of prediction for age 60 and over, in percentages relative to the rest of the population:^b

Year	60 and over % of total pop.	60 and over % of active pop.	60 and over as % of pop. under 15
1950	8.74	13.52	32.86
1955	10.49	16.77	40.05
1960	12.40	20.19	47.39
1965	13.81	22.86	53.82
1970	14.82	24.62	59.43
1975	15.93	26.66	65.47
1980	16.81		69.90

^b Source is unspecified, except as "United Nations Data and Predictions".

⁴⁰ *Salud*, 80-82. The report estimates 1 medical doctor for every 967 persons in 1957. Comparable data are, 1900, one per 2,534 persons; 1925, one per 1,690 persons. On a statistical basis, only the United States surpasses Uruguay in the hemisphere, with 13.7 doctors per 10,000 population. Uruguay has 10.3, Canada 10.0, Argentina 7.5, and Mexico 5.6. While Montevideo has one doctor per 522 persons, however, the Interior has one per 2,000.

⁴¹ United States, Senate, Committee on Foreign Relations, *United States-Latin American Relations*, (Washington, D. C., 1960), 568.

⁴² *Portrait*, 167-184, presents an excellent and detailed picture of public health matters.

⁴³ *Ibid.*, 179. *Salud*, 130. Of 906 respondents, 19% obtained medical care at the establishments of the Ministry of Public Health, and 4% received care from other government sources (Military hospitals, the Consejo del Niño, etc.). There was some duplication in sources of care.

At p. 131, this study reported regarding the composition of persons who were members of Mutual Care Societies, as against non-members, from the entire sample, as corrected for non-respondents so as to approximate the entire population.

Mem- ber?	% of pop.	Marital Status			Econ. Classes			Living Accommodations				
		M.	Sing.	Wid- owed	Low	Mid- dle	Up- per	House.	Apt.	Cot- tage	Shack	Tene- ment
Yes	52	55	48	67	20	56	59	56	59	42	30	22
No	48	45	52	33	80	44	41	44	41	58	70	78

Use of the various facilities was broken down, *Ibid.*, 132-139.

Type of facility	Total % of sample	Lower class	Middle class	Upper class
Ministry Pub. Health	19	66	19	2
Mutual Soc.	61	26	52	64
Private MD	31	11	28	50
Other Care	4	6	3	3
No Info.	1	2	1	..

The study showed (p. 140-146) that the member of the Mutual Society spends a great deal more for medical care, in total, than does the person who relies on private care. 75% of respondents in the latter category reported spending less than 25 pesos annually, while 49% of the Mutual Society members paid over 100 pesos annually. In the latter group, 6% did not reply, while in the former group 39% did not reply.

⁴⁴ *Budget*, 1246-1249.

⁴⁵ The Medical School of the University was charged with administration and provision of the hospital by law 11,454, 5 July 1950 (1950 *Registro*, 655-656). The total University budget for 1959 was 33 million pesos, of which 24,700,000 pesos were for salaries and 8,300,000 were for expenses. The University Council, the governing body, asked all divisions of the University to prepare estimates for the period 1960-1963 in 1959. The total requests came to 157,690,000 pesos, with 56,260,000 for ex-

penses and 101,430,000 for salaries. The Council's request to the Assembly, made through the Executive Council of the government, was for 100,413,873 pesos in all, as follows:

	Operating and maintenance expenses	Salaries
All Teaching services	12,981,825	50,123,834
For Hospital de Clínicas	11,502,118	25,806,096
Totals	24,483,943	75,929,930

The National Executive Council recommended only an increase of 13,097,299 pesos to the Assembly, for all purposes. *Marcha*, March 27, 1961, and Movimiento Coordinador de Docentes Universitarios, *Convocatoria de la mesa del movimiento coordinador de docentes universitarios a las gremiales de facultades y escuelas para el plenario de 2 de junio de 1960*, a mimeographed document of three pages. The meeting was held in the *paraninfo* or major auditorium of the Faculty of Law of the University on June 10, 1960.

The message to the Assembly had little immediate effect, and a general strike of all teaching personnel and students of the University developed in the latter part of 1960 in order to support the demands for a budget increase. The faculty and most students returned to normal activities at the end of October, but students in architecture, engineering, and notary studies remained out several weeks longer. *El Bien Público*, November 1 and 8, 1960. The final appropriations for the University, for the period 1961-1963, were fixed by article 17 of the Salaries and Expense Budget, *Budget*, 1267:

Item	1961	1962	1963
Salaries	67,000,000	72,300,000	74,000,000
Expenses	21,500,000	25,700,000	28,000,000
Totals	88,500,000	98,000,000	102,000,000

There was no increase in appropriations for 1960. The University Council was given continuing autonomy regarding assignment of funds from these global figures to the Hospital de Clínicas, as originally prescribed by article 36 of Law 12,376, 31 January 1957 (1957 *Registro*, 138-180).

⁴⁶ *Portrait*, 175-176, estimated that over two-thirds of all hospital beds are in the capital.

⁴⁷ *Austeridad*, 64-66. The general view of respondents in this survey was that retirement pay and pensions are too low; 4% of respondents believed payments were entirely adequate, 9% thought them modest but sufficient, and 71% thought them entirely inadequate.

Attitudes regarding retirement age were of interest (*Ibid.*, 66-70):

Preferred Age for retirement	Groups responding, and preferences indicated (percentages)			
	laborers	employees	professionals	housewives
40 or less.....	1	—	—	6
about 45.....	2	1	1	5
about 50.....	26	16	13	17
about 55.....	20	15	10	7
about 60.....	33	42	36	23
about 65.....	3	6	7	3
70 or over.....	1	6	10	9
Never.....	—	—	2	10
No answer.....	14	14	21	20

⁴⁸ Juan E. Azzini and Raúl Ibarra San Martín, *Estructura y análisis de nuestra legislación presupuestal* (Montevideo, University of Montevideo, 1958), 8-9.

⁴⁹ Law of 5 May 1838 (1 Col. Leg., 345-347).

⁵⁰ Law of 28 May 1896 (19 Col. Leg., 204-214).

⁵¹ See Hanson, *op. cit.*, 150-151, for details of this law.

⁵² Law of 6 October 1919 (1919 *Registro*, Vol. II, 293-302). The enterprises covered concerned railroads, telephones, telegraphs, street transportation in Montevideo, water, and gas. Telegraphs were under government control at the time, other than those lines operated by the railroads for their own use. In 1961, only gas remained in private hands.

⁵³ Article 7, law of 6 October 1919.

⁵⁴ Articles 16-25.

⁵⁵ Articles 29-30.

⁵⁶ Law 6,874, 11 February 1919 (1919 *Registro*, Vol. I, 194-196). The terms of this law are cited in detail in Hanson, *op. cit.*, 152-153.

⁵⁷ Law 7,818, 6 February 1925 (1925 *Registro*, 78-90), and Law 9,940, 2 July 1940 (1940 *Registro*, 414-449).

⁵⁸ Law 11,034, 14 January 1948 (1948 *Registro*, 122-125). The previous organizational law which was abrogated by the later one, was law 9,154, 3 July 1933 (1933 *Registro*, 1014-1016).

A general survey of policies and attitudes regarding retirement and of the groups which have been benefitted by progressive amplification of government policy, is found in Carlos Rama, *Las clases sociales en el Uruguay* (Montevideo, Editorial Nuestro Tiempo, 1960), 275-282. This work is cited hereinafter as *Clases Sociales*.

⁵⁹ Law 11,034, 14 January 1948 (1948 *Registro*, 122-125).

⁶⁰ Articles 4-7 of Law 11,034.

⁶¹ Law 11,617, 20 October 1950 (1950 *Registro*, 1256-1280), established the *Caja de Jubilaciones y Pensiones de los Trabajadores Rurales y Domésticos y de Pensiones a la Vejez* (Retirement Fund for Rural and Domestic Workers and for Old-Age Pensions); it absorbed the similarly-named but narrower agency established in 1948.

Subsequently, the Pensions Institute itself was reorganized, and its component Funds were reorganized and renamed, by Law 11,729, 1 November 1951 (1951 *Registro*, 1118-1121). These reorganizations were made necessary by the government's acquisition of the Montevideo street transportation system, the railroads, the water company, and the Cuareim Bridge Company, in the period since the 1948 legislation.

⁶² Law 12,579, 23 October 1959 (1959 *Registro*, 1250-1251), established a Special Honorary Committee to study means of adjusting pensions automatically to rising living costs. Its members represented four different pensioners' interest groups, the three principal retirement Funds, the Banco de Seguros del Estado, the Economics Faculty of the University, the Ministry of the Treasury, and the Ministry of Public Instruction and Social Welfare. The committee was given 240 days in which to make its report, and all governmental agencies were alerted to provide relevant information on request.

⁶³ Law 12,464, 5 December 1957 (1957 *Registro*, 1356-1379), increases pensions payments by the Fund for rural and domestic workers and old-age payments. This fund, particularly, is known for its inability to collect sufficient funds to meet its obligations imposed, as in this case, by a legislature more attuned to the demand of the public than to the practical needs of an agency operating, presumably, on a business-like or self-sustaining basis. Although article 7 of the law provides that contributions by insured persons will range from 5% of gross wages for salaries up to 100 pesos monthly, to 13% on salaries over 1,200 pesos, and a great variety of new taxes is created on unrelated objects, it remains true that the Fund must be reimbursed heavily from the national treasury when deficits are incurred.

The blanket increases legislated by this and similar laws were the objects of tart editorials in *El País*, February 27, 1960; and *El Día*, April 4, 1960, after it was announced earlier in February that all pensions would be raised in view of the rising costs of living. Both newspapers conceded the need for more money in the hands of pensioners, but suggested that it would be well to examine the nature of the pensions awards which have been made in recent years. Should political favoritism alone determine such awards, *El País* asked.

⁶⁴ Law 12,380, 12 February 1957 (1957 *Registro*, 253-262), raised the pensions to be paid by the Industries and Commerce Fund. Article 3 provided that any pension payments over 9,600 pesos annually would be subject to a 5% discount up to 10,200

pesos annually. For each additional 600 pesos' increment, the discount would be increased by an additional 5% on the new increment.

This scale of discounts would apply to pensions paid on the basis of 30 years or less of work. For recipients with up to 36 years' work, the discounts would begin at a gross pension of 12,000 pesos. For recipients with over 36 years' work, discounts would start at 18,000 pesos. Identical provisions appear in article 4 of law 12,464, 5 December 1957 (*1957 Registro*, 1356-1379), which increases pensions paid by the Fund for rural and domestic workers.

It is useful to note that the point at which these discounts begin has been raised as pensions themselves have been raised. Law 11,419, 29 April 1950 (*1950 Registro*, 275-276), established the discounts on all pensions for the first time. At that time the starting point was 3,000 pesos, increments were of 600 pesos, and the discounts were raised by 5% steps. Law 11,793, 16 February 1952 (*1952 Registro*, 262-263), raised the starting point to 6,000 pesos, with other provisions remaining the same.

⁶⁵ Law 11,637, 14 February 1951 (*1951 Registro*, 181-184), originated the retirement bonuses for persons affiliated with the civil service Fund and in the armed forces. Law 12,139, 13 October 1954 (*1954 Registro*, 866-867), made such bonus payments retroactive for all government employees who retired prior to the earlier law. This payment was conditioned on their desisting from lawsuits against the Fund claiming the unconstitutionality of the 1951 law!

Law 12,578, 23 October 1958 (*1958 Registro*, 1245-1250), extended retirement bonus privileges to affiliates of the Bankers' Pension Fund. This includes persons employed by both public and private banks. The terms were substantially more generous, and included one month's pay, at the rate of the last year of service, for each year on the job to a maximum of 30 months, except that salaries over 1,000 pesos monthly would be discounted. The discount increments would be 20% for each additional 250 pesos monthly salary. No payments would be made to persons with less than 20 years' service.

⁶⁶ *El País*, February 9, 1960.

⁶⁷ Cerruti, "La defensa de las Cajas de Jubilaciones . . ." *op. cit.*

⁶⁸ IUDOP, *Encuesta sucesos del año* (1956), 25-30, reports on popular attitudes in this regard. Interview, Deputy Gervasio Domenech, August 4, 1960.

⁶⁹ Law 9,618, 27 November 1936 (*1936 Registro*, 880-885), for the first time broadened the Bank's lending authority to permit loans to speculative construction by contractors. It was authorized to devote up to 15% of its entire working cash fund to this purpose, and was permitted to loan up to 70% of the appraised value of the house or living unit. The Fund for Industry, Commerce, and Public Services (which since has disappeared through the administrative reorganization of 1948) was authorized to supply an additional 15% of the appraised value of such a dwelling unit, through the use of up to 15% of the surpluses it might have. The assessed value of the individual dwelling unit could not be higher than 7,500 pesos for the purposes of the law; at the time, the pesos's purchasing power was equal roughly to the dollar in the United States—a price far beyond the purchasing power of the average family in Uruguay.

⁷⁰ Decree by Minister of Public Instruction and Social Welfare, 1 September 1953 (*1953 Registro*, 861-876), pursuant to law 11,618, 20 October 1950 (*1950 Registro*, 1281-1291). A summary of existing law regarding housing, to 1957, is presented in Unión Nacional Católica de Acción Social, *Aspectos económicos de la familia en Montevideo* (Montevideo, 1956), 209-223. This work is cited hereinafter as *Familia*. The study is based in large part on a survey prepared with some attention to scientific sampling techniques by a group entitled *Los Equipos del Bien Común* (The Teams of the Common Welfare), a Catholic Action group. The sampling plan and the data derived from the study are presented in great detail in *Ibid.*, 21-165.

⁷¹ *Salud*, 115-126. The IUDOP study here reported stated that 50% of its 906 respondents lived in separate houses, 28% in apartments, 9% in cottages, 7% in shacks of wood or sheet metal, 2% in "ranchos" of mud bricks, thatching, or scrap materials (the "rancho" is a rural slum, in usual usage), 4% in multi-family tenements. The study's explanatory portion pointed out that a "casa" (house) is defined in the study as a structure with four or more rooms, including the bath and kitchen.

Housing was considered unhealthy if it had no sewerage line, or no potable water line into the house, or no adequate protection from the weather. The study showed that 12% lacked potable water supplies; it pointed out that some 9,000 families in Montevideo must buy their water from water vendors. 18% of all housing units had no proper sewerage system.

Housing And Sanitary Conditions For Montevideo, 1956, By Percentages

Econ. Category	Housing Type						Water Supply				Sewer	
	Hous- es	Apts	Cot- tage	Shack	Ran- cho	Tene- ment	Run- ning	Cis- tern	Well	Fau- cet	Sell- er	City Other
High	68	27	5	..	..	..	100	..	..	..	..	96 4
Med.	49	31	12	6	2	2	92	6	..	1	1	82 18
Lower	17	21	9	26	9	23	75	11	8	3	3	53 47

Econ. Category	Bathing						Kitchen			
	Bath- room	Com- partment	Other	H/C Show.	Cold Show.	No Show.	No Bath	Sepa- rate	Com- partment	None
High	98	2	...	75	25	...	...	100	....	..
Med.	89	6	5	36	36	23	5	96	3	1
Low	45	25	30	2	32	36	30	63	26	11

Econ. Category	Dining Room		No. of rooms in dwelling						
	Yes	No	1	2	3	4	5	6	7
High	91	9	..	8	20	24	13	15	20
Med.	33	67	2	19	32	27	14	3	3
Low	68	32	19	40	23	12	7	..	..

⁷² *Familia*. 199-203.

⁷³ Mortgage Loans Outstanding, Banco Hipotecario del Uruguay, in Thousands of Pesos.

Category	1947 ^a	1950 ^a	1953 ^b	1956 ^b	1959 ^b
Common loans.....	199,828	323,520	535,670	730,999	926,524
Special home loans..... (civil service, etc.)	16,764	21,539	42,078	65,616	104,289
Land colonization.....	4,299	6,044	6,903	15,552	22,325
Hotel construction.....	3,709	3,354	2,997	1,753	1,437
Public Works.....	2,315	3,648	8,056	12,624	23,778
Other mortgages.....	.....	.....	.....	.....	58,250
Cash loans.....	5,776	4,735	3,873	3,145	2,720
TOTALS.....	232,691	362,840	599,577	829,689	1,139,363

^a Banco de la República, Departamento de Investigaciones Económicas, *Suplemento estadístico de la Revista Económica*, #116, (January, 1954), 5.

^b *Ibid.*, #190, (March, 1960), 5.

The First National City Bank, *Monthly Letter* for April, 1958, reported that in 1957 there had been 3,938 applications totalling 253,175,050 pesos; 2,259 loans had been made, totalling 104,536,325 pesos. The Bank noted it was understood that delays of a year or more in processing were common. This publication is cited hereinafter as *Monthly Letter*.

Law 11,879, 12 November 1952 (1952 *Registro*, 1041-1042), established a five-year exemption from real estate taxes for any properties built or acquired with the aid of mortgages financed by government agencies of any kind. The law specifically named loans by the Mortgage Bank, the National Postal Savings Fund, and the Retirement Funds.

⁷⁴ See *El País*, February 11, 1960, for a discussion of the problem. It was proposed editorially that contractors for the new high-rise apartment buildings be required either to install the new utilities facilities themselves for the city, or that they be required to pay a special assessment to the city.

The legal provisions for the construction of cooperative apartments are found in law 10,751, 25 June 1946 (1946 *Registro*, 656-663).

Legislation authorizing special status for groups of government employees in regard to mortgage loans is as follows: law 12,170, 28 December 1954 (1954 *Registro*, 1113-1115), members of the armed forces; law 12,171, 28 December 1954 (1954 *Registro*, 1116-1118), employees of the Mortgage Bank and of the General Assembly; law 12,172, 28 December 1954 (1954 *Registro*, 1118-1119), employees of the Electoral Court.

⁷⁵ *El País*, February 26, 1960, discusses the policy change in great detail. The Bank pointed out that at present nearly 80% of its capital for loan purposes is derived from savings accounts, rather than from the sale of securities in the open market. Inflation had rendered such sales difficult, since the rate of return was now inadequate to attract investors. The Directors stated that their prior policy had been to loan up to 50,000 pesos per dwelling unit for 30 years, but that in some instances of commercial dwelling-unit construction, loans had been for up to 68,000 pesos, 15 years, 10%.

The Bank announced that in the future it would not make loans to speculative construction of cooperative apartment buildings, although it would continue to loan to individual purchasers; maximum loans in such cases would amount to 53% on appraisals of 100,000 pesos, or 34% on appraisals of 200,000 pesos. The Directors announced they regarded the new, more restrictive policy regarding high-priced properties as "democratization" of loan policies, since more generous terms were to be established for farm credit loans on individual and family properties.

⁷⁶ Law 9,723, 10 November 1937 (1937 *Registro*, 821-830). The need for low-cost housing for lower income families was demonstrated by the statistical datum in 1956 that one-third of all Uruguayan families (about 65,000) have incomes below that considered minimal for decency. The situation is considered worse in the Interior than in Montevideo. *Familia*, 179-180.

⁷⁷ Law 12,528, 23 September 1958 (1958 *Registro*, 1008-1012). The five-member Honorary Committee which determines INVE policy is authorized to raise the maximum to 350 pesos monthly at its option. The law also determines the general conditions under which INVE-owned housing units may be sold to the tenants.

⁷⁸ *Clases Sociales*, 288-300, discusses the role of INVE in the elimination of rural and urban slums. Suburban slums in the area of Montevideo are known colloquially as "categriles", an ironic reference to the Cantegril corporation which has developed Punta del Este, the country's most expensive beach resort.

⁷⁹ *Familia*, 234-235.

⁸⁰ *Ibid.*, 235-236. This writer was able to observe some of this work in action through the assistance of Dr. Rama. INVE's low-cost tracts have been built frequently with a neighborhood recreation hall and field; social workers from INVE's Social Service division make use of these facilities to teach whatever subjects appear to be helpful. In some instances they have been assisted by the Artigas-Washington Library, which is maintained in Montevideo by the United States Information Agency, through the loan of books, motion picture projectors and films, and pictorial displays. INVE's Social Service division was established in 1953. See *El Bien Público* (air edition), March 4, 1958.

⁸¹ *Familia*, 232-233.

⁸² *El Día*, August 2, 1960.

⁸³ *Familia*, 233-234.

⁸⁴ Law 11,496, 27 September 1950 (1950 *Registro*, 991-1005). Additional legislation of this type, but more specifically earmarked, has been enacted. Thus, law 11,563, 13 October 1950 (1950 *Registro*, 1127-1129), authorizes the National Postal Savings Fund to acquire dwelling units for resale to its affiliates. Properties may not be appraised at more than 30,000 pesos, and payments are not to be larger than 35% of the monthly income of the employee involved. This same law provided that General Assembly funds would be used for purchasing homes for employees of this body; they would pay only two per cent interest on these loans!

Law 12,088, 22 December 1953 (1953 *Registro*, 1765-1768), established similar provisions for employees of the Bank employees' Fund. This Fund would be able to

devote up to 25% of its funds for mortgage loans, at 5%, 30-year terms, to a maximum loan of 50,000 pesos.

⁸⁵ Cerruti, "La defensa de las Cajas de Jubilaciones . . ." *op. cit.*

⁸⁶ *Familia*, 103, indicates that its respondents included 20.5% who were born in the Interior but had moved to Montevideo, and 15.2% who had been born in foreign countries.

El Bien Público (air edition), February 25, 1958, commented on the difficulty contractors were having in attracting construction workers from Montevideo to work on the hydroelectric project at Rincón de Baygorría, some 165 miles north of Montevideo. While many men were unemployed in Montevideo, where the going rate then was 14 pesos daily, jobs were going begging for common labor at 18 pesos at Baygorría. The phenomenon has been observed by many other sources. See also, David E. Snyder, *Urban places and passenger transportation in Uruguay*, unpublished Ph.D. dissertation in Geography, Northwestern University, 1959, 53-68, for a discussion of Montevideo's reputed advantages.

⁸⁷ *El Bien Público* (air edition), March 31, 1959, referred editorially to the chronic unemployment situation in Uruguay. The newspaper pointed out that almost nothing had been done to meet it except to appeal to the International Labor Organization for advice. The ILO had responded that the government should establish a labor employment service or exchange; this had never been done.

Familia, 203, observes with regard to slums, ". . . it is evident that the reason for inhabiting these housing facilities, in the great majority of cases, is solely the inadequacy of incomes."

⁸⁸ Law 10,460, 16 December 1943 (*1943 Registro*, 1817-1821).

⁸⁹ Law 11,921, 24 March 1953 (*1953 Registro*, 197-208), attempted to restore some bargaining freedom to the landlord-tenant relationship. In spite of highly detailed provisions, however, the effect appears to have been to encourage precipitate rises. *El Bien Público*, November 26, 1957.

In reaction, laws 12,376, 17 January 1957 (*1957 Registro*, 108-110) and 12,492, 9 January 1958 (*1958 Registro*, 25-30), extended controls in favor of all "good payers", whether they might be occupants of private residences, teaching or cultural institutions, and sports, social, or gremial associations. The laws did not protect families with gross incomes over 1,000 pesos monthly, however. On the other hand, the 1958 law protected commercial tenants against any rent rises at all for six years, to be followed by six additional years of modest rises. At the end of the 12-year period, the tenants would have an additional year in which they could seek new quarters before being evicted. The *Cámara de Bien Raíz* (Real Estate Chamber) protested at all points in the legislative process at this arrangement, but without effect. *El Bien Público* (air edition), December 17 and 31, 1957; January 14 and 28, 1958.

⁹⁰ Law 10,449, 12 November 1943 (*1943 Registro*, 1650-1660). The law was implemented by the Decree of the Minister of Industry and Labor of 17 May 1944 (*1944 Registro*, 400-413). The law also established the tripartite Wage Councils in which biennial negotiations for wages and working conditions are carried on, prior to the signing of contracts confirming the terms of employment.

⁹¹ *Incógnita*, 84-89.

⁹² Law 11,618, 20 October 1950 (*1950 Registro*, 1281-1291). This agency is fundamentally administrative, and establishes policies and procedures for the numerous individual Funds which are associated with it. The law also establishes the details of all present rules regarding eligibility for payments, the size of payments, and the manner by which contributions by employers are paid to the disbursing Funds.

⁹³ There are some 35 such Funds, each numbered. For example, no. 17 deals with the Construction industry, and no. 18 with the Railroad (AFE).

Rural workers were not included in the family allowances program until the enactment of law 12,157, 22 October 1954 (*1954 Registro*, 973-976); this law was implemented by a decree of the Minister of Industry and Labor of 6 December 1955 (*1955 Registro*, 1187-1191). After the enactment of the law, the Allowances Council prepared the draft decree for the Minister; it was adopted by the National Council of Government.

⁹⁴ *Incógnita*, 86-88.

⁹⁵ Law 11,970, 1 July 1953 (*1953 Registro*, 604-605).

It had been provided in the 1950 law that while the allowance per child remained at six pesos monthly, the minimum payment to a family could not be less than seven pesos. A decree in June, 1952, raised this minimum payment to 8.50 pesos. The Minister of Industry and Labor accepted the recommendation of the Allowances Council in March, 1953, that minimum payments to families should not be less than 10 pesos monthly. The decree (24 March 1953, *1953 Registro*, 221-223), recognized that substantial deficits would now be run by the Funds of the Interior Departments. In fact, these Funds had had trouble making the minimum of 8.50 pesos. 119,000 children would benefit by the new decree, but at the same time the Interior Funds would now run combined annual deficits of an estimated 9,521,500 pesos. The decree provided that the National Compensation Fund would be tapped to make up this deficit.

⁹⁶ Law 12,262, 28 December 1955 (*1955 Registro*, 1275-1276).

⁹⁷ Law 12,543, 16 October 1958 (*1958 Registro*, 1120-1123). Under article 4 of the law, the families of unemployed workers continue to receive allowances only if their unemployment occurred involuntarily. This represents a policy change of some importance.

⁹⁸ Law 12,691, 31 December 1959 (*1959 Registro*, 1484-1495).

⁹⁹ Law 11,618, articles 9 and 10.

¹⁰⁰ The previous rate had been 4%; law 11,618, article 14.

¹⁰¹ Law 11,618, article 17. The borrowing authority of the individual Funds is provided in a law of 10 February 1960, which is reported in *El País* of February 11, 1960.

¹⁰² *Fortnightly Review*, January 7, 1957, reports that the debt of the government, both central administration and autonomous businesses, to the Civil Employees' Retirement Fund was 136 million pesos as of the end of 1956.

¹⁰³ Law 9,440, 9 November 1934 (*1934 Registro*, 1479-1486). Hanson, *op. cit.*, 249-256, discusses the background of the period in some detail.

The law of November actually was a legal implementation of executive decrees which were announced on August 1st and 24th of that year. The Honorary Committee was composed of 15 members: one from the Executive Power; two from the General Assembly, and one each from the Banco de la República, the National Chamber of Commerce, the private banks, the foreign banks, the Foreign Chamber of Commerce, the Asociación Rural, the Federación Rural, the consumers' cooperatives, an ad hoc association of representatives of factories; and two from the National Chambers of Industry; the chairman was appointed by the Minister of Industry, and he became the Minister's representative. Acevedo Alvarez, *op. cit.*, 28-29. Acevedo's book is not at all sympathetic to the Terra dictatorship; he remarks, "The plan was good but not original. It was only the continuation of the plan for allocation of exchange which the National Council established in the last months of 1932."

¹⁰⁴ Law 9,526, 14 December 1935 (*1935 Registro*, 884-894).

¹⁰⁵ Law 10,707, 9 January 1946 (*1946 Registro*, 42-49). The five members of the price-fixing committee represent the national government, the Montevideo Departmental government, the University's School of Agronomy, the association of milk suppliers, and the University's School of Veterinary Science.

¹⁰⁶ *Monthly Letter*, July 17, 1958, reported a deficit for the year 1957 of 11,117,020 pesos.

In 1960 the government was determined to hold the price to consumers to 35 centésimos per liter for milk sold in the outlets of the Subsidies Council, and to 53 centésimos for milk delivered to residences. These figures had been established by the price-fixing board in early 1959, and at that time required a subsidy of 17.3 centésimos per liter so that producers could be paid and processing costs could be met. By the time negotiations ended for the period August, 1960 to January, 1961, the subsidy had become 53 centésimos per liter. This was equal to a daily charge on the

government of an estimated 270,000 pesos, or approximately 98 million annually. The negotiations were enlivened by common gossip of the collection of a slush fund of 120,000 pesos among the milk producers for bribing the price fixing Board; Representatives of the producers admitted such had been planned, but denied it had been executed. See *Marcha*, May 6 and June 7, 1960, for an excellent analysis of the entire matter. Both *El País* and *El Día*, March 25, 1960, discussed the bribe.

¹⁰⁷ Law 10,940, 19 September 1947 (1947 *Registro*, 1034-1053). The seven member Council is chaired by a delegate appointed by the Executive Power, which also appoints two other members. In addition, there is one representative each for the Banco de la República, the Honorary Export-Import Control Board, the Departmental government of Montevideo, and for the Interior Departments.

¹⁰⁸ *El Debate*, March 14, 1960. A decree by the Ministers of Industry and Labor and of the Treasury, in April, 1954, made available to the Subsidies Council an open credit with the Treasury of 2,500,000 pesos; previously the Council had had an open account with the Banco de la República. The deficit in 1959 alone was larger than this open credit, however.

¹⁰⁹ Decree of the Ministers of Industry and Labor, and of the Treasury, 31 March 1960. Published in *El País*, April 1, 1960.

¹¹⁰ A decree by the Ministers of Stockraising and Agriculture, Treasury, and Industry and Labor, dated 7 July 1953, authorized the use of this expropriation power for the benefit of the Frigorífico Nacional. Swift and Armour, United States-owned packers, protested and asked reconsideration on the ground that the decree was unconstitutional as an infringement of the guarantees to private property. The National Council of Government considered the appeal and reaffirmed the original decree on February 24, 1955. The NCG concluded that neither Swift nor Armour suffered undue impairment of property rights. It also argued that "the . . . individual rights provided in the Constitution are not absolute—doctrine and jurisprudence have so established repeatedly—since under circumstances involving the general interest they may be limited." 1955 *Registro*, 355-356.

¹¹¹ A large number of recent cases can be cited. In June, 1958, the fruit and vegetable retailers and wholesalers of Montevideo boycotted the market for a week, without effect. *Fortnightly Review*, July 19, 1958. All food stores of Montevideo shut up for three days in September, 1959, again without effect. *Hispanic American Report*, September, 1959, 405; and *Ibid.*, October, 1959, 458. Bakers stopped work for over a week in December, 1957-January, 1958. National Councilor Luis Alberto de Herrera proposed in NCG discussion that army bakeries be used to supply the city's needs. This was not done, and a 6% to 8% raise was granted. *El Bien Público*, January 7 and 14, 1958.

The smuggling of meat into Montevideo from San José and Canelones Departments began to assume serious proportions by 1953. Much slaughtering in these Departments, in abattoirs not regulated by any satisfactory sanitation laws or inspections, was carried on with animals obtained at prices which mocked the government's efforts to maintain price ceilings. Law 12,120, 6 July 1954 (1954 *Registro*, 569-572), established Departmental border police control against this traffic. Law 12,541, 16 October 1958 (1958 *Registro*, 1112-1115), article 8, stated that the possession of more than two kilos by an individual, or of 5 kilos within an automobile regardless of the number of occupants, would be regarded as prima facie evidence of smuggling. The widespread nature of the traffic was pointed up by the arrest of a ring of blackmarketers early in 1959; among the participants were several members of the special police detail! *El Bien Público*, March 17, 1959.

¹¹² *El País*, March 14, 1960, reported the naming of the first members of Committees. *Ibid.*, March 24th, reported a 7,400 peso fine, plus a ten-day closing, imposed as a penalty on a large store for overcharging, failure to display the approved price lists, and refusal to sell goods in stock at the legal prices.

¹¹³ Consumer's Goods Price Indices, 1950-1960, Montevideo. 1948=100.*

Item	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Food.....	91	106	129	139	154	174	180	224	271	407	501
Household..	99	112	119	128	144	175	187	202	235	349	381
Clothing...	108	134	145	150	171	173	183	208	249	319	397
Housing...	119	121	125	136	157	157	157	157	157	157	157
General											
Costs....	113	124	137	145	155	165	173	201	232	298	354
General											
Index....	101	115	131	140	157	170	182	209	245	342	412

* Ministerio de Hacienda, Direccion General de Estadística y Censos, *Indice de los precios del consumo*, January, 1960.

¹¹⁴ The National Executive Council decreed the termination of bread subsidies on November 30, 1960; the average price rose from 82 centésimos per kilo to 1.30 pesos per kilo. The subsidy had cost the government 328 million pesos since its beginning in 1953; of this figure, 120 million had been spent in the 12 months prior to the removal of the subsidy, *Foreign Commerce Weekly*, April 17, 1961, 13.

The first stabilizing policy regarding bread prices grew out of a decree by the Ministers of Industry and Labor, and the Treasury, of 19 September 1947 (1947 *Registro*, 992-993), however. At that time, it was provided that flour prices would be established.

La Mañana, May 27, 1960, reported serious starvation in many points in the Interior, in spite of government policies designed to alleviate it. In the Department of Flores, 650 pupils in the public schools were coming regularly to the lunch rooms for free lunches; in 1959 the average attendance had been only 120. In Salto, children in some schools were fainting from hunger regularly, and a volunteer movement had been started to see that adequate food was provided. In Paysandú, local businessmen had begun a large local program to assist families with inadequate incomes to obtain food. In Lavalleja, it had become common to see families going through garbage cans for food.

The newspaper observed editorially that it was a little difficult to realize the extent to which the Monetary Reform policy, which was enacted in December, 1959, had pauperized the people. "One can now speak of collective hunger. [This is], a 'conquest' which nacionalismo forgot to promise before the elections."

¹¹⁵ Law 12,670, 17 December 1959 (1959 *Registro*, 1378-1385), is the Monetary Reform Law.

¹¹⁶ Decree of 3 August 1956 (1956 *Registro*, 805-812), established eleven categories of goods, in terms of the prices, in pesos, which would be charged for foreign exchange with which to pay for them. Type "A" would be paid for by dollars bought at the free exchange rate of 4.11 pesos to the dollar; type "K" would be bought for dollars at 1.519 pesos per dollar. The other types were ranged in between: type "B" was 85% free exchange, 15% at the 1.519 rate, etc. The Honorary Export-Import Commission was empowered to make discretionary judgments concerning the type of exchange assigned to an importer.

Decree of 11 September 1958 (1958 *Registro*, 959-962), eliminated all but four types: "A", 100% free exchange; "B", 85% free exchange, and 15% at 1.519 pesos; "C", 75%-25%, and "D", 50%-50%. The 1.519 rate was now reserved only for newspaper imports and government contracts. Once again, the Honorary Commission was given discretionary power.

¹¹⁷ Law 9,971, 29 November 1940 (1940 *Registro*, 897-898). The rate would be 1.519 pesos=one dollar, plus a 1.5% commission. The matter is discussed in considerable detail in *Marcha*, March 11, 1960. This newspaper argues that the original law was intended specifically by the Terra government and its successor as a bribe to the press. The story is told of the irascible publisher of the Dolores *La Propaganda* who placed at the masthead, "This newspaper is printed on paper which is not subsidized by the Dictatorship".

¹¹⁸ Law 11,670, 5 June 1951 (1951 *Registro*, 609-610), authorized the Executive

Power to spend up to 500,000 pesos to import newsprint which would be sold free of taxes or fees to the Interior newspapers.

¹¹⁹ See discussion in *El País*, February 22, 1960. The newspaper softened the blow somewhat by raising street prices for copies from 20 centésimos to 30, and by raising advertising rates substantially.

¹²⁰ Imports by Commodity Groups, 1954-1960, in million dollars.*

	1954		1955		1956		1957		1958		1959		1960	
Groups	cost	%	cost	%	cost	%	cost	%	cost	%	cost	%	cost	%
Raw materials	77.7	28.4	72.8	32.4	80.0	38.9	93.9	41.5	56.1	41.7	81.7	38.2	93.5	38.5
Fuels & Lubes	37.1	13.6	26.5	11.8	33.2	16.1	16.0	7.1	28.9	21.5	16.9	35.9	58.3	24.0
Vehicles	27.2	9.9	17.9	8.0	19.2	9.3	27.1	12.0	7.1	5.3	7.4	3.5	22.7	9.3
Machinery	44.4	16.3	27.0	16.5	21.9	10.6	26.6	11.7	11.3	8.4	16.0	7.5	17.3	7.1
Con. materials	28.1	10.3	21.1	9.4	16.2	7.9	17.7	7.9	7.5	5.6	6.9	3.2	11.7	4.8
Yerba mate	.....	.....	5.6	2.5	5.5	2.7	5.2	2.3	4.0	3.0	4.9	2.3	1.8	0.7
Others	58.7	21.5	44.3	19.5	29.8	14.4	29.7	16.5	19.7	14.6	20.2	9.4	37.5	15.0
Totals	273.2	100.0	225.0	100.0	205.8	100.0	226.4	100.0	134.6	100.0	214.0	100.0	242.8	100.0

* Source: Bank of London and South America, *Trade Statistics*, supplements to *Fortnightly Review*.

¹²¹ The sensitivity of the construction industry to importation regulations was indicated by Senator Luis Troccoli, interview, March 17, 1960. He estimated that 14% of all construction workers were thrown out of work by the restrictions imposed after the passage of the Monetary Reform Law. Other sources reported that structural steel had increased over 10% in price, even before the law was finally enacted, as the result of speculators' anticipation. The point was supported by National Councillor Haedo in NCG discussion; reported in *El País*, March 19, 1960. *El Bien Público* (air edition), reported on earlier stages of the difficulty in its issues January 21 and 28, 1958. *Ibid.*, March 25, 1958, reported the closing of many small factories for lack of raw materials. *Fortnightly Review*, December 6, 1958, reported that desperate businessmen were pleading with the NCG to allow them to obtain foreign exchange at almost any premium, so that they could obtain materials with which to maintain operations.

¹²² After the Monetary Reform, ANCAP arbitrarily announced that gasoline for passenger cars, and many other fuel items, would be raised in price. These raises became effective late in February, 1960, and many items doubled in price; prior to this, the falling value of the peso had allowed persons on foreign currency incomes to buy gasoline at 12-15 cents (U. S.) per gallon. Uruguayan complaint was great, however, and charges of speculation and dishonesty against ANCAP were wide-spread; *El Debate* denounced the General Manager of ANCAP as a possible "saboteur" of the reform, and Senator Eduardo Bottinelli charged that ANCAP had made wind-fall profits of 43 million pesos by the action. *El Día*, March 18, 1960.

Details regarding ANCAP's importance in the economy are presented *supra*, 239, note 209.

¹²³ The initial decrees implementing the Monetary Reform Law are dated 22 December 1959 (1959 *Registro*, 1413-1420), and 30 December 1959 (1959 *Registro*, 1465-1477). More recent decrees provide that there shall be four principal categories of imports: those which may be imported without payment of surcharges (ad valorem tax) or prior deposits (cash deposits at the time of application for the import license); 40% surcharge and no prior deposit; 75% surcharge and no prior deposit; 150% surcharge and 100% prior deposit. This last category obviously is punitive; the period between application and the arrival of the goods may be a year in some cases, and is never less than three months. *Fortnightly Review*, October 20, 1960, lists specific articles affected by these categories.

¹²⁴ *Salud*, 10. For a general examination, of a highly critical nature, regarding the gap between goals and achievement in the field of education in Uruguay, see Carlos Rama, "Educación y Sociedad Democrática", 2 *Nuestro Tiempo* #4 (August, 1955), 7-27. This article later was published in slightly revised form as chapter II of his *Ensayo de sociología uruguaya* (Montevideo, Editorial Medina, 1957), 267-299. This book is cited hereinafter as *Ensayo*.

¹²⁵ *Marcha*, May 27, 1960, contains a comprehensive study of the position of the public schools during the past few years. Regarding the position of the Catholic and lay private schools, see C. H. Schutter, *The Development of Education in Argentina, Chile and Uruguay* (Chicago, University of Chicago Press, 1943), 147. Although in 1910, Church schools enrolled 53% of the 20,443 children then in private primary schools, in 1934 they enrolled 84.6% of 20,743 children.

¹²⁶ *Marcha*, May 27, 1960, reported the following official figures for 1959, for Montevideo:

Entering 1st grade, 1954	42,610 children
2nd grade, 1955	36,475
3rd grade, 1956	32,975
4th grade, 1957	29,251
5th grade, 1958	23,127
6th grade, 1959	18,442.

The article continued: in 1954, 19,900 children enrolled in rural first grades. In 1959, for the completion of six years of elementary schooling, 3,904 remained.

Jesualdo Sosa, *La enseñanza en el Uruguay* (Montevideo, Ministerio de Instrucción Pública y Previsión Social, 1947), 42, reported that in 1946 the drop-out rate in Montevideo was 58.7% for the primary years only. Of the rural primary schools in 1946, 706 had only one teacher to handle all instruction. This work is cited hereinafter as *Enseñanza*.

Ensayo, 283, reports estimates made by Dr. Antonio Grompone in 1947 regarding drop-outs over the entire pre-University period, for a single age group, for Montevideo schools:

Entering 1st grade, 1936	36,822 children
completing 6th grade, 1941	9,469
entering 1st year <i>Liceo</i> , 1942	4,684
completing 4th year <i>Liceo</i> , 1945	312
entering <i>Preparatorio</i> , 1946	250
completing <i>Preparatorio</i> , 1947	71.

Grompone therefore estimated that 2% of children entering primary school complete their pre-University training, in a representative year. *Liceo* corresponds largely to Junior High School in the United States, *Preparatorio* to High School, in regard to academic period. *Preparatorio* covers pre-professional work of a highly directed and rigid nature, however.

¹²⁷ Carlos Rama, "Las clases medias en el Uruguay" *Cuadernos*, #38 (September-October, 1959), 53-59. In 1958, of some 17,000 students enrolled in the University, 80 received economic substantial assistance. *Ensayo*, 281, reports regarding the social and economic class background of University students. 7.6% of students in *Preparatorios* come from working-class families, according to Dr. Antonio Grompone's examination of Law School students.

¹²⁸ In 1949 there were 122 children per public elementary classroom; in 1958 the figure had become 135. *Marcha*, May 27, 1960. The Instituto "Alfredo Vázquez Acevedo", the Preparatory school in Montevideo, makes use of triple instructional sessions, during a daily period of 14 hours. *El Bien Público* (air edition), March 17, 1959, reported that there were no primary schools for an estimated 80,000 rural children.

It is clear that the government has made continued serious efforts to overcome these problems, however. It builds or purchases as many buildings as resources will permit, and leases others—including many large former residences—which may serve the purpose. The Ministry of Public Works projected an expenditure of 10 million pesos for the year 1961 for construction of Liceos in Artigas, Colonia, Pasa de los Toros, Sarandí Grande, and Mercedes. *El País*, February 18, 1960. In 1947, *Enseñanza*, 43-44, reported that the government owned 506 school buildings, rented 959 additional buildings, had 43 under construction, 63 at the stage of bidding, and an additional 110 in the blueprint stage, prior to calling for bids.

A major problem in 1960, however, was the diminishing effect of school appropriations. *La Mañana*, May 27, 1960, contained a statement by teachers of Salto which was submitted to the Budget committee of the Chamber of Deputies, in which it was declared that classes in primary schools in that Department now were running to 80 on the average, and that funds for school lunches now average to 12 centésimos per child daily. Available funds would purchase only 750 ccs. of ink per class, two eight-page notebooks per child, and a half pencil per child annually! *Marcha*, May 27, 1960, pointed out that funds for school lunches in Montevideo in 1960 were half of what had been established as the essential minimum by the *Consejo del Niño*, and that while milk had been available for free distribution to children for five months of the school year in 1958, it had been unavailable in 1959 and 1960. The article in *Marcha* contains innumerable other details growing out of the lack of funds.

¹²⁹ *El Día*, March 31 and April 2, 1960.

¹³⁰ Constitution of 1952, articles 204-206. These articles are new, and were written in response to heavy pressure brought by both students and faculty members on the constitution-drafting committees of the Assembly.

Enseñanza, 19, includes the following explanatory chart regarding the various divisions of the educational system:

AGE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
						Rural School					Labor University														
						Rural 3rd-5th																			
	1	2	3	1	2	3	4	5	6	1	2	3	4	1	2	1	2	3	4	5	6	7			
			Urban primary 1-6																						
Kinder- garten			Primary school						Liceo				Prep.		UNIVERSITY 5-7 yrs.										
P R I M A R Y									SECONDARY																

DIVISIONS OF THE URUGUAYAN EDUCATIONAL SYSTEM, BY AGE AND BY GRADE

¹³¹ Law 9,463, 19 March 1935 (*1935 Registro*, 220-223), reorganized the Ministry, and defined its functions. Article 199 of the 1952 constitution bases the supervisory powers of the Ministry over the four educational Councils. See also, Enseñanza, 18-19, 21-24.

¹³² *Enseñanza*, 39-41, 44-45. The legal bases for the Council are discussed briefly in E. J. Couture and others, *Legislación vigente en el Uruguay* (Montevideo, University of Montevideo, 1956), 45-49. This work is cited hereinafter as *Vigente*.

¹³³ *Enseñanza*, 42, 46-51. In the Departments of the Interior there has been some experimentation with "garden schools", which have up to five hectares (12.5 acres) of attached farmland for agricultural instruction. There are several primary boarding schools for children from rural slum families. In general, purely academic training is curtailed after the second grade in rural schools, and rural subjects are introduced.

The basic curriculum content for both rural and urban primary schools is indicated at *Ibid.*, 52. The average school day is of four hours plus recesses and meal breaks.

¹³⁴ *Enseñanza*, 54-59.

¹³⁵ Interview, Herminia Costa Valles, August 10, 1960.

¹³⁶ *Enseñanza*, 64-67. The curriculum for the four-year Liceo period is indicated briefly at *Ibid.*, 69, and for the two years of Preparatorio at p. 69-70.

¹³⁷ Law 10,973, 2 December 1957 (1947 *Registro*, 1308-1319). The "Artigas" institute formerly was a private training institution which was not permitted to grant degrees. Its instruction parallels the subject matter and age level of the University.

¹³⁸ *Enseñanza*, 73-77; *Vigente*, 52-54. The Labor University as now constituted was established by Decree-law 10,225, 9 September 1942 (1942 *Registro*, 1052-1053). This Decree-law later was implemented by Decree-Law 10,304-2, 23 December 1942 (1942 *Registro*, 1738-1767).

¹³⁹ Decree-Law of 27 May 1838 (1 *Col. Leg.* 348-349). Arturo Ardao, "La Universidad de Montevideo", 13 *Revista del Centro Estudiantes de Derecho* #81 (July, 1950), 9, 19-21, 25-31. This work hereinafter is cited as *Universidad*.

The 1838 decree provided for five chairs, each occupant to head an area of study. The Latin Faculty (School) would be responsible for the studies of entering students; the Faculties of Philosophy and Mathematics would follow, and the Faculties of Jurisprudence and Theology would be the most advanced for the students.

¹⁴⁰ *Universidad*, 10-11. At p. 39, Ardao notes that all theological teaching was dropped from the curriculum in 1860, by decision of the Council of the University, "because of the complete and continuous lack of attendance by the students".

¹⁴¹ *Universidad*, 11-12, 47-52.

¹⁴² Mario A. Cassinoni, *La Universidad de la República en 1959*, (Montevideo, Publicaciones de la Universidad, 1959), 6-7.

¹⁴³ *Universidad*, 67-71, presents the background for the reforms of 1908. *Vigente*, 51, states, "The structure of the University is of a federal type, with differing organization in each of the different Faculties [Colleges]. The Central University Council is similar to a Federal Senate, composed of two delegates from each College, one of which is the respective Dean. The president of the Central Council is also the Rector of the University."

The ten Colleges are, in chronological order: Law and Social Sciences, 1849; Medicine, 1875; Engineering and Surveying, and Architecture, 1915; Agronomy, 1925; Chemistry and Pharmacy, and Dentistry, 1929; Economic Sciences and Administration, 1932; Veterinary Science, 1933; Humanities and Sciences, 1945.

¹⁴⁴ *Guía de la Universidad* (Montevideo, 1956), 11. The Central University Council on February 21, 1951, approved a resolution admitting students on a regular basis to the General Assembly of the *Claustro*. This body is composed of nine representatives from each of the ten Colleges; it was to be composed of 40 persons elected by the faculty, 30 by the students, and 20 by the alumni. This figure since has been decreased to 30, 20 and 20 respectively; Cassinoni, *op. cit.*, 17.

¹⁴⁵ *Universidad*, 91-92. The *Sala de Doctores* theoretically contained only persons who were holders of the University's highest degree. But during this period the Bachillerato also was awarded by the University, in its capacity as supervisory organization for all educational facilities in the country. University responsibility for secondary education was curtailed somewhat in 1877, and the broad interpretation of the regulation was halted.

¹⁴⁶ *Universidad*, 93.

¹⁴⁷ Law 12,549, 16 October 1958 (1958 *Registro*, 1135-1152), articles 14 and 17. Elections in the governing bodies of the University are discussed in some detail in the polemic pamphlet by Dr. Mario A. Cassinoni, *Ordenanza de elecciones universitarias* (Montevideo, Publicaciones de la Universidad, 1959), 27.

¹⁴⁸ Prior to the enactment of the new "Organic" law of 1958, student demonstrations of mounting violence occurred over a period of several weeks. They resulted in several deaths. The event is covered in considerable detail in *El Bien Público* (air edition), October 7 and 14, 1958. The student determination to play a more active role in University administrative affairs continues. *Monthly Letter*, July 21, 1959, noted that the students had threatened to strike if a group of faculty members to which there was objection was not dropped.

¹⁴⁹ Other student disorders have developed quite regularly since 1958. The student group obviously felt it had a right to demand University action against the state visit of President Dwight Eisenhower of the United States in March, 1960, and were prevented from taking broad scale action by the vigilance of University authorities and police. Groups of students took similar action at the time of the visit of Adlai Stevenson in June, 1961. *El Bien Público* (air edition), June 13, 1961.

Dr. Cassinoni depreciates the attribution to him of such influence. In Ordenanza, *op. cit.*, 28, he remarks that he supposes he should feel flattered at the charge that his Socialist ideology and views have been so effective. Major newspapers have chosen to take a rather stuffy attitude, however, and *El País*, March 16, 1960, made a rather direct editorial accusation of socialist-communist influence in the faculty and student body.

A part of the criticism has been quite obviously unreasoning, however. At the time of enrollments in March, 1960, the University surveyed the entrants in the first full-scale census ever undertaken. Full social and demographic data were demanded, in a coded 80-item questionnaire. While some of the questions were decidedly over-inquisitive, many of them asked answers normally required of an entrant to either a private or public university in the United States. The critical press, however, was determined to see communist influence in the questionnaire and its timing, however.

¹⁵⁰ *Incógnita*, 64-65, *Marcha*, May 13, 1960. Interview, Sra. Guillermo Costa Valles, Director of a Primary School, February 17, 1960. The increment of 50 pesos was raised to that figure from 40 by article 41 of law 12,376, 31 January 1957 (1957 *Registro*, 138-180).

The law required that the first month's pay of the beginning teacher be returned in 12 equal installments to the government as a contribution to the retirement Fund. Since normal retirement deductions (montepío) also were made, during the first year the beginning teacher received 304.50 pesos monthly. This salary was equal to approximately \$100 monthly at the open rate of exchange when enacted. In 1960, it was equal to \$27.10. The actual purchasing power was somewhat higher than this would indicate, but not more than perhaps 50%.

¹⁵¹ One teacher with several years' experience wrote that the teachers no longer could seek common cause with "the workers for whom the unions bleed so much, nor with government officials who feel imposed upon because they earn only 500 or 600 pesos a month", since they were now reduced so low in the economic scale. This writer observed that while at one time he had been in the middle class, both because of professional prestige and income, he now could not regard himself as a decent member of the lower class! *Marcha*, May 13, 1960. Azzini is quoted in *El País*, March 16, 1960.

¹⁵² The *Movimiento Nacional de Apoyo a la Escuela Pública* (National Movement for Aid to the Public Schools) was the volunteer lobbying group. It undertook to finance expert surveys and recommendations. *El País*, March 16, 1960.

In the absence of an official budget request by the Primary and Normal Council, the Treasury Ministry made one for 112 million pesos. The Council finally made one for 155 millions. The technical committee of the union requested 239 millions. *El País*, *loc. cit.*

Concerning volunteer aid in Interior areas, interview with Francisco Morella, President of the San Cono Chapel Association of Florida, June 5, 1960. This scismatic group broke with the Catholic Church in 1956 when the Church brought suit in the courts to force delivery of the contributions of the Chapel to the Church; the courts ruled against the Church. The funds now are distributed to the Florida Liceo and Primary schools, the government hospital, and poor relief. Morella clearly has gained much local prestige as a result.

Emigration of teachers at all levels from Uruguay was noted in a broad study by Eugenio Hintz, *El País*, May 10, 1960.

¹⁵³ The average salary increase for Primary and Secondary teachers as the result of the new funds was expected to be from 57% to 80% over 1957 levels. Appropriations for the various Councils, in thousands of pesos, were:

Council	1956 ^a	1957 ^a	1961 ^b	1962 ^b	1963 ^b
Primary	43,916	57,462	200,000	200,000	200,000
Secondary	28,372	51,958	88,600	106,000	108,500
Univ. del Trabajo.	7,287	11,002	51,000	53,000	56,000

^a *Monthly Letter*, September 19, 1958.

^b *Budget*, 1266-1268.

¹⁵⁴ *Portrait*, 204-212. The point is made quite forcefully in the inaugural address of Martín R. Echegoyen, the first President of the Republic in the present government, on March 1, 1959. *El Bien Público*, (air edition) March 10, 1959.

Article 68 of the 1952 constitution states, "The freedom of teaching is guaranteed. The Law will define the intervention of the State solely for the maintenance of hygiene, morality, security and the public order. All fathers or tutors have the privilege to select, for the teaching of their children or pupils, the teachers or institutions which they prefer." This principle is discussed in detail in *2 Con. Nac.*, 97-109. See also the perceptive essays in *Universidad*, 97-106.

¹⁵⁵ Although these are independently-drawn conclusions by the present writer, they are supported firmly by *El Bien Público's* editorial comments in its issue of March 10, 1959, regarding the references to education in President Echegoyen's inaugural address.

¹⁵⁶ This is perhaps the best explanation of student attitudes in the matter of the "demonstrations" against the Eisenhower visit in 1960. The Student Federation, whose leaders staged these acts, is the legally recognized spokesman for the students of the University. Cassinoni, *La Universidad . . . en 1959*, *op. cit.*, 32.

¹⁵⁷ These explanations were offered by Domingo Carlevado, Secretary of the Student Federation, in an interview, April 20, 1960.

¹⁵⁸ *Austeridad*, 26. See *Foreign Commerce Weekly*, May 4 and 11, 1959, for brief accounts of the effect of the floods. *El Bien Público*, (air edition), April 14, 21 and 28, 1959, discussed the matter in great detail.

¹⁵⁹ *Austeridad*, 42-43.

¹⁶⁰ Interviews indicated that attendance at these diversions actually picked up; the floods threw many people out of work as the Río Negro hydroelectric generators were disabled by flooding and factories closed for lack of power and raw materials. Gambling casinos in Montevideo, and the government-operated bookmaking establishments, were more active than in normal times.

¹⁶¹ Treasury Minister Azzini's initial policy statement to the National Council, as reported, offered an outline of plans but warned that a general lack of statistical data precluded details at the time. He assumed many things, however; a balanced budget, administrative reorganization, a defense of the peso against inflation, peaceful labor relations, a gradual curtailment of State intervention in the economy and of many controls on prices, and rapid economic development. He urged an overhaul of the taxation system, so as to assure adequate governmental income without dislocating production and consumption patterns; taxes would also be used to discourage speculation, gambling, and reprehensible social behavior. He argued there should be development of a new law on the preparation and reporting of government accounts, as well as the development of criteria for a genuine civil service law. In the future, all labor and social security policies should be related closely to the realities of national productive capacity and to financing policies for new private enterprises.

Azzini argued that economic development was sorely needed; it should be realistic, however, and based on the country's resources and possibilities. There was especial need for a review of agricultural policies, so that incentives could be offered to small farmers and tenants, and so that agriculture could again assume its proper place in the economy. Funds for agricultural overhaul should come from private domestic sources, as well as from government and international funds. *El Bien Público*, (air edition) March 17, 1959.

The newspaper commented editorially (*Ibid.*, March 24, 1959) that the outline was well-titled, but that it was more honest than the presentation of a large number of legislative proposals which would certainly represent badly documented beliefs rather than certain knowledge, granted the facts. "It is much better to be modest and honest", it concluded.

¹⁶² A thorough search for petroleum in 1958-1960 has been unproductive. Dunlap and Graham, a British firm, drilled in three Departments without results; slight traces were found at 6,700 feet, in some portions of Canelones, but no success was reported in San José and Cerro Largo. *Monthly Letter*, October 21, 1959, and March 19, 1960.

El País, February 20, 1960, reported that gold-bearing quartz veins in Rivera were then producing about 1 kilo of gold monthly for each of several persons known to be prospecting in the area, but that nearly all of this was being smuggled into Brazil. *El País* observed editorially that the Mining Code would have to be changed before any private interest could be developed in prospecting or production.

Possibly the greatest hope has been expressed for a large body of ore in Rivera known to contain manganese. German interests reportedly would buy large quantities, provided an economical method could be developed for refining it; at this time, no such method is known, however. *Fortnightly Review*, December 20, 1958; *Monthly Letter*, March 19, 1959.

A large body of iron ore, at Valentines, Florida, is known to contain 33% to 39% of metal. Some experimental ingots have been produced in Argentine mills. At the present time, however, the ore is not economical to work, since other ore bodies in other countries contain higher percentages. *El Debate*, February 22, 1960.

¹⁶³ Leading Agricultural Commodities, 1943-1959, metric tons:^a

Commodity	Average, 1943-1947	Average, 1948-1952	Average, 1953-1957	Crop year 1957-58	Crop year 1958-59
Wheat.....	243,329	461,227	719,957	777,945	359,703
Flax.....	84,958	104,229	72,245	73,440	72,009
Oats.....	41,180	43,915	45,470	52,164	32,771
Common barley...	10,770	8,995	9,975	9,002	8,351
Barley, beer.....	5,540	12,326	25,565	22,023	16,237

^a Source: Asociación de Bancos del Uruguay, *Resumen de los principales aspectos de la actividad económica del Uruguay en el año 1959*, (Montevideo, 1960), table 25.

As a result of the partial failures of crops in 1958-59, it was necessary to make much more extensive use of the United States' program for disposal of agricultural surpluses under Public Law 480, of 1954, the Agricultural Trade Development and Assistance Act. The "Cooley" amendment to section 104e permits the proceeds from such sales, in local currencies on terms of up to 35 years for repayment, to be reloaned to the purchasing country, through the Export-Import Bank, for economic development projects. By May, 1960, the United States had sold over \$43 million in cotton, tobacco, corn, barley, and wheat to Uruguay. Law 12,509, 1 July 1958 (1958 *Registro*, 761-764), authorized the National Council to conclude such agreements. Ambassador Robert Woodward outlined the entire matter as United States spokesman in a speech to the Rotary Club of Montevideo on May 3, 1960. The mimeographed text was released by the U. S. Information Agency office in Montevideo. Details are presented in this author's article in the *Christian Science Monitor*, "Uruguayans get U. S. Food", May 19, 1960.

In view of the serious situation in 1960, it was only a small exaggeration to say that this assistance literally was allowing Uruguay to survive.

¹⁶⁴ *Portrait*, 71 and 86. It must be pointed out there is some liberty here taken with Fitzgibbon's context. He is somewhat more specific; his despoths are cattle and sheep. Statistics regarding the country's exports support the point, however.

Uruguayan Exports by major classes, 1954-1960, in millions of dollars:^a

Article	1954		1955		1956		1957		1958		1959		1960	
	value	%	value	%	value	%	value	%	value	%	value	%	value	%
Wool.....	124.5	50	105.6	58	124.5	60	63.9	50	80.4	58	54.3	56	66.8	52
Wheat.....	10.5	4	26.0	14	25.1	12	see flour.....							
Meat and Products..	45.5	18	7.2	4	22.2	11	27.5	21	14.6	11	18.5	19	30.8	24
Hides.....	18.5	8	15.0	8	15.9	8	11.1	9	9.0	7	10.0	10	15.8	12
Rice.....	5.0	2	0.9	1	....	..	....	..	....	..	....	..	....	..
Linseed Oil and Flax..	7.9	3	4.9	3	3.0	1	5.8	5	4.2	3	4.1	4	4.7	4
Wheat Flour	19.2	8	11.9	6	2.7	1	9.4	7	17.2	12	3.2	3	....	..
Others.....	17.8	7	11.6	6	16.3	7	10.5	8	13.1	9	7.8	8	11.3	8
TOTALS..	248.9		183.1		210.7		128.1		138.6		97.8		129.4	

^a Source: *Fortnightly Review*, annual summaries of Uruguayan international trade.

¹⁶⁵ *El Debate*, March 2, 1960, reported the proposals semi-officially. The projects were: waterworks and sewerage projects for Montevideo and interior cities, \$15 million;

112 kilometers of railway extension in Rivera, \$10 million; dam and irrigation project, and bridges, all in the area of Rivera to be served by the new rail line, \$10 million; new steam power plant, \$40 million; Carrasco airport runway lengthening and strengthening for jet aircraft, \$3 million; other airport work in the Interior, \$4 million; highway widening, reconstruction, and extension, \$52 million; air photomapping of the country, \$3 million.

Only a few of the projects appeared to have been thought through with any care, according to officials of the United States Embassy who participated in the discussion between the United States committee and the Uruguayan committee which presented it. Many of them specifically appealed to known interests of international agencies. The Special United Nations Fund for Economic Development was believed to be especially interested in air photomapping, the IBRD in water and sewerage facilities, and in electrical utility extensions; the IBRD already had loaned \$64 million during the 1950s to UTE for expansion of facilities. The Uruguayan officials did not put the proposals to the U. S. committee in the form of pleas for loans, however; rather, they appeared to be asking advice regarding their financing.

The personnel of the U. S. committee were Secretary of State Christian Herter, chairman; Assistant Secretary of State for Inter-American Affairs Roy Rubottom, Vice-chairman. Walter J. Donnelley, a former foreign service officer and executive of U. S. Steel Corp.; G. Kenneth Holland, President of the Institute for International Education; O. A. Knight, President of the Oil, Chemical and Atomic Workers' Union; Charles A. Meyer, Vice-President of Sears, Roebuck, in charge of Latin American Operations; Dr. Dana G. Munro, Director of the School of Public and International Affairs, Princeton University, were members.

¹⁶⁶ A good current example of this was the IBRD loan of \$7 million which had been negotiated for agricultural improvements, especially in the field of stockraising. The General Assembly refused approval until two deadlines had passed, and IBRD threatened to withdraw the offer. It was finally approved in August, 1960, although it had been negotiated in 1958. *Fortnightly Review*, June 7, 1958; July 16 and August 27, 1960.

¹⁶⁷ After the inauguration of the Blanco government in March, 1959, a five-member mission of the IMF came to Uruguay in July, to consider an application for a loan to help stabilize the peso. The mission urged the adoption of a number of steps, many of them politically inexpedient. On October 10, 1960, the IMF offered a \$30 million stand-by credit after a year of very hard bargaining, some sincere steps by Uruguay, and a number of face-saving measures. The IMF's compromise with the vested interests of the country was evident, however. *New York Times*, October 11, 1960; *Fortnightly Review*, November 5, 1960; see also *Hispanic American Report*, September, 1959, for details of the original IMF mission recommendations.

¹⁶⁸ *Executive Power*, 73, at note 62; Hanson, *op. cit.*, 41.

¹⁶⁹ Hanson, *op. cit.*, 107-108.

¹⁷⁰ The Banco de la República (central bank) was organized in 1911, as was the Banco de Seguros (Insurance Bank). In 1912, the Banco Hipotecario (Mortgage Bank) and UTE (Electrical Utility) were established. The Port Authority (ANP) was established in 1916. *Supra*, 211 (notes 210-214) contain citations regarding these laws.

The construction of the Port of Montevideo was completed by 1909. It was believed that few ships would use it, however, in view of the small amount of trade of Uruguay and the greater attractiveness of the Port of Buenos Aires, unless port costs were kept to an absolute minimum. This led to the establishment of some port services under government auspices in 1911; in 1916, ANP was given a potential monopoly of all services. Hanson, *op. cit.*, 62-69.

¹⁷¹ Trias, *op. cit.*, 13-14.

The government built its first short rail line, from Montevideo to Colonia, in 1888. There was such dishonesty and scandal that further ventures were discouraged. Uruguay, AFE, *Technical Mission, Report* (Paris, Société Française d'Etudes et des Réalisations Ferroviaires, 1959), Vol. II, 37. This publication is cited hereinafter as *Sofrerail*.

¹⁷² Hanson, *op. cit.*, 122-146. The most comprehensive presentation of labor and social legislation, up to February, 1949, is Alberto Sanguinetti Freire, *Legislación social del Uruguay*, (Montevideo, Casa A. Barreiro y Ramos, 2 vols., 1949). Sanguinetti was Sub-Director of the National Institute of Labor and Associated Services at the time

of the publication. It contains partial texts of all laws cited. A more recent publication, which contains only excerpts or references, is *Vigente*. See especially 159-255.

¹⁷³ Domingo Arena, *Batlle y los problemas sociales en el Uruguay* (Montevideo Claudio García y Cia., 1939), presents a highly partisan statement of Batlle's intentions and views in the period from 1903 to his death.

¹⁷⁴ Hanson, *op. cit.*, 107-117; 7 *Con. Nac.*, 16-25.

¹⁷⁵ Dr. Eduardo Acevedo Alvarez declares that Uruguay would have ridden back to economic stability with the world's recovery had things been left alone. After examining Terra's policies from 1933 to 1937, he concludes, "Everything was swept away in the violent race . . . We have lived these four years in complete confusion, without any concern on the part of the government for the problems of the future. All has been sacrificed in order that the public expenses could rise." *La economía y las finanzas públicas después del 31 de marzo de 1933* Montevideo, 1937 [?], 299-300. Gustavo Gallinal (*op. cit.*, 183-268) writes a good deal more forcefully in an anti-Terra vein, of the pact and of its effects.

The Pact was not always so viewed by Colorados, however. Five months before the coup, Baltasar Brum, later to commit suicide on the day of the coup, said of ANCAP, "It is one of the finest economic achievements of recent times in Latin America. It is a step to the economic independence of Uruguay." Quoted by Hanson, *op. cit.*, 97-98.

¹⁷⁶ John D. White, reporting in the *New York Times*, February 3, 1933. Gallinal, *op. cit.*, 160-174. Terra, *op. cit.*, 49-50.

¹⁷⁸ Hanson, *op. cit.*, 118-119, notes that UTE began to contribute irregularly to the national Treasury in 1916-1917, and regularly after 1922. The Banco de Seguros began contributions in 1922, and ANP contributed for many years. At p. 76, Hanson presents a table regarding contributions by the Banco de la República from 1896 onward.

The change of policy was made law by Decree-law 9,384, 9 May 1934 (1934 *Registro*, 1034). Under it, all Autonomous Entities and Decentralized Services would deliver 80% of their "liquid profits" to the Treasury in Fiscal Year 1934, except for those funds already incumbered by prior loans. The practice is continued in the budget enacted in 1960. Provision is made (*Budget*, 1185), by article 21 of the Ley de Recursos for the Banco de la República to contribute 1.2 million pesos to the treasury in 1961, 1962, and 1963. The Banco de Seguros will contribute 300,000 pesos annually, as will the Banco Hipotecario. ANCAP will contribute 650,000 pesos, UTE 250,000 pesos, and ANP 150,000 pesos.

¹⁷⁹ SOYP was established in 1933. Its present Organic Law is #10,653, 21 October 1945 (1945 *Registro*, 862-868).

¹⁸⁰ J. Fred. Rippey, *British Investments in Latin America, 1822-1949* (Minneapolis, University of Minnesota Press, 1959), 146-148, discusses the sale of street railway properties to the City government of Montevideo, in 1947, for 11,700,000 pesos. The estimated paper loss to stockholders was £4 million.

¹⁸¹ *Incógnita*, 7, reports the government enterprises are more guilty than even the central administration of the use of the "global funds" device for employing people without having them appear on the detailed budgets. Thus, in 1956, the organizations employed 47,635 persons, although only 27,206 of them appeared on the combined budgets. The corresponding figures for the central administration were 88,397 and 77,654, a substantial difference. Two years later, in the 1958 budget, the enterprises employed 50,982 persons in both global and budgeted categories, an increase of 3.5% annually. *Monthly letter*, April 20, 1960.

Recent budget increases of selected enterprises are impressive:

Budgets of Selected Autonomous Entities and Decentralized Services,
1954, 1958 and 1960, in millions of pesos.

Entity	1954	1958	1960
AFE (railroads)	55.6	110.4	183
ANCAP	48.7	81.8	137
ANP (port)	43.3	63.7	116
UTE (electricity)	88.6	135.3	306
OSE (water)	15.7	24.6	72

¹⁸² In testimony before a subcommittee of the United States House of Representatives, inspecting technical assistance operations in Uruguay, the U. S. Ambassador, Mr. Dempster McIntosh, remarked, "Unfortunately, nearly all the Government operations lose money continuously. The railways are very unprofitable and show heavy, continuous losses, and that is also true of the government meat-packing plant. So Government ownership, in my opinion, is becoming less popular here than it was." He suggested that there was sentiment for divesting the Uruguayan government of some of its economic and commercial activities. United States, House of Representatives, *United States Technical Assistance in Latin America: Fourteenth Intermediate Report of the Committee on Government Operations*, 84th Congress, 2nd Session, House Report no. 1985, March 29, 1956, 35.

Investigations of the enterprises by the Executive Council are chronic. The Council's meeting of January 2, 1958, for example, examined reports of ANP and AFE. *El Bien Público* (air edition), January 7 and 14, 1958.

¹⁸³ Interview, Faustino Harrison, June 13, 1960.

¹⁸⁴ Nardone has used his Radio Rural to attack almost every institution not willing to give way to his demands. In early July, 1960, Nardone began to charge that the Bank is run by a "mafia" (sic) whose decisions are controlled only by the personal interests of the members. The bank management fought back after several days of this, with small advertisements placed in all Montevideo newspapers, and many in the Interior. *El País*, July 6, 1960, carried one of the replies. It was signed by the General Manager, five Assistant General Managers, and 14 Managers of divisions.

Interviews with private bankers indicated the feeling that conservative policies are needed regarding currency issue and rediscount policy, the issues on which Nardone attacked. Overly generous policies would only feed the current inflation, they argued. Individual officials of the Bank indicated some agreement with Nardone's views, however. One indicated the Bank always operates at a net profit—in some years as much as 15% of its gross earnings—and that this results from conservative practices within the Bank which could be changed to the benefit of the country. Junior officials suggested that the emphasis, in the Bank's promotion policies regarding top officials, on longevity assures that management will be both well-grounded in Bank procedures and also very conservative, if not stogy, about internal administration.

The major complaint of private bankers is based on the dual role of the Bank. As both commercial bank and central bank, it is able to control the terms under which they compete. In January, 1960, a reform of the Bank was proposed; a special committee appointed by the Executive Council proposed that five departments replace the two (Banking and Issue): central banking, general banking, industrial and agricultural promotion, savings and social credits, and international trade. *Fortnightly Review*, February 13, 1960. At the same time, the Montevideo newspapers reported that the IMF had made suggestions for reform; *Ibid.*, January 16, 1960.

¹⁸⁵ At the time of the Monetary Reform of December, 1959, ANCAP's management raised the retail price of gasoline, diesel fuel, and a number of other items without more than a few days' notice to the Executive Council. It was widely alleged that the timing of the action was speculative in nature, and abusive of the enterprise's monopoly position. *El Debate* denounced the General Manager as a "saboteur" of official policies; *El Día* quoted Senator Eduardo Bottinelli (UBD) as saying the windfall profit was 43 million pesos. *Marcha* analyzed the jump in the peso-dollar ratio as responsible, directly, for an increase of only 16 centésimos per liter in the price of gasoline, although the rise decreed was about 44 centésimos. *El Día*, March 18, 1960, is the source for these observations. In its issue of June 1, 1960, *El Día* estimated the windfall now appeared to be nearly \$20 million. A special investigation by the Treasury Ministry occurred.

¹⁸⁶ The first franchise for railroad construction and operation was granted in 1866. Several different agreements were made, but the later consolidation and sale of many of these resulted finally in two survivors, the "Central" and the "Midland". The system of the Central remained autonomous of the combined system of the Midland and the government's own Ferrocarriles y Tranvías del Estado until the enactment of the Organic Law of the railroad (AFE) in 1952 (law 11,859, 19 September 1952, 1952

Registro, 891-905). See *Sofrerail*, Vol. II, 36-41, for a short accounting of the development of the system, including a statement of the officially-announced reasons for the nationalization. The government's statement referred to national defense needs, the development of national agricultural interests by means of the subsidies permitted to transport costs, and the easier development of broad national economic plans. Also, see Snyder, *op. cit.*, 13-15.

¹⁸⁷ The situation is described in detail in Uruguay, Administración de los Ferrocarriles del Estado, *Memoria y Balance, Gestión correspondiente al período 23 de Mayo 1957—28 de Febrero 1959*, (Montevideo, 1959), 31-34. The matter also is discussed in *Visión*, February 13, 1959. The Board in control in early 1957 was replaced by Executive Council decree on 27 February 1957 (1957 *Registro*, 345-347), after the Senate had approved a request for special permission to do so. The Inspección de la Hacienda examined the earlier Board's work and recommended replacement. There had been evidence of sabotage by workers as well as managerial incompetence. General Oscar D. Gestido was appointed President of a new Board; the immediate results were gratifying to all, although the rail unions soon struck for more money, and complicated the delicately balanced situation. *Supra*, 254-255, note 290.

¹⁸⁸ *Sofrerail*, Vol. II, xiv-xviii, presents a short summary of the recommendations. The consulting firm's bill was split 50-50 between the IBRD and the AFE Board of Directors. Not all recommendations were followed immediately, however, especially with regard to rates. Although the Board announced that the system had run a deficit of 192,222,000 pesos in the period 1953-1958 (of which the government had made up 165 million by subsidies), the budget cast for 1960 still proposed a deficit of 26 million pesos. *El Día*, April 1, 1960. Data for 1953-58 were reported by *Monthly letter*, May 21, 1959.

¹⁸⁹ Shortly after the Executive Council demanded of the AFE Board that rates be raised to prevent the deficit from becoming even larger, the railroad announced a 20% raise in freight rates and a 10% raise for passengers; these followed by only three months rate increases of between 20% and 45%. *Monthly letter*, April 20, 1960. Early in 1961, the railroads made plans for modernization of rolling stock and improvement of right of way as recommended by SOFRERAIL. *Foreign Commerce Weekly*, May 8, 1961, reported the Board's receipt of bids for 39 new diesel locomotives, with awards to be made in three months.

¹⁹⁰ Hanson, *op. cit.*, 40-55; *Portrail*, 50-51, 104-105. The telephone services of the country are reported in detail in Uruguay, Administración General de las Usinas Eléctricas y los Teléfonos del Estado, *Los 25 años del teléfono automático en el Uruguay* (Montevideo, 1959). Chapter 5 reports regarding the final acquisitions of private telephone companies by the UTE in 1949.

Although UTE exercised full control of all electric power facilities in the country prior to the second world war, it was not until 1945, with the completion of the Rincón del Bonete project in the central part of the country that power production appeared to meet national needs.

¹⁹¹ Power Sold, thousands of Kilowatt-hours, 1940-1958.^a

year	Montevideo	Interior	Total	year	Montevideo	Interior	Total
1940	208,263	24,140	232,403	1950	408,637	81,763	490,440
1941	224,099	25,763	249,862	1951	444,709	98,830	543,549
1942	214,603	26,423	241,025	1952	482,347	110,290	592,636
1943	196,123	26,486	222,613	1953	529,128	126,209	655,337
1944	233,115	28,789	261,904	1954	556,848	147,414	704,262
1945	259,587	31,847	291,434	1955	608,755	164,378	773,132
1946	287,944	37,737	325,681	1956	656,122	191,616	847,738
1947	320,938	49,516	370,454	1957	691,353	233,591	924,944
1948	359,544	62,300	421,844	1958	761,968	255,855	1,017,823
1949	379,901	71,991	451,892				

^a UTE, *Producción de energía eléctrica, 1955* (Montevideo, UTE, 1956); and *Ibid*, 1958 (Montevideo, UTE, 1959).

UTE opened the new Rincón de Baygorría plant in June, 1960, 50 miles from the Bonete project, and downstream on the same river, the Río Negro. The new plant was built with the aid of an IBRD loan of \$25.5 million; UTE had already been loaned \$36 million since 1950 for telephone and power expansion by IBRD.

Registro, 891-905). See *Sofrerail*, Vol. II, 36-41, for a short accounting of the development of the system, including a statement of the officially-announced reasons for the

¹⁹² Two locations have been bid on. The Paso del Puerto project, to be located on the Río Negro downstream from the Baygorria project, will complete the development of this river. The Bonete project has installed capacity of 122,000 kw, Baygorria 105,000, and Paso del Puerto will have 180,000 kw capacity. *Fortnightly Review*, April 23, 1960, and January 14, 1961.

In addition, bids have been opened for the Salto Grande dam, which will be built on the Uruguay river in cooperation with Argentina. The two countries will finance and build it jointly, and share the power. It is expected to cost \$300 million, and to have an installed capacity of 1,400,000 kw. It will be a dam some 8,400 feet long, with a spillway 2,500 feet long. It will necessitate a ship lock 100 x 600 feet. Each country will have its own independent power plant, with an ultimate ten generators in each. Normal water depth will be 106 feet above the base of the dam, and approximately 100,000 square miles of territory will be included in the watershed for the lake. *Visión*, January 30, 1959; *El País*, April 2, 1960.

United Nations studies report Uruguay as one of the few countries of Latin America which appear to have enough hydroelectric potential to meet all predictable power needs. In 1957, it was estimated to have one million kw of potential, with 12.8% installed at that time (prior to the completion of Baygorria). The average of installed potential in Latin America at that time was 6.5%. United Nations, Department of Economic and Social Affairs, Economic Commission for Latin America, *Energy in Latin America* (Geneva, 1957), 66-68.

¹⁹³ *Monthly letter*, August 21, 1959, citing a release by the Ministry of Foreign Affairs. The statement assumes that Salto Grande will be completed and in partial operation by 1967.

¹⁹⁴ UTE reported in 1958 that there were 99,800 installed telephones in Montevideo and 32,400 in the Interior. UTE, *Los 25 años del teléfono . . .*, *op. cit.*, chap. 7. In April, 1959, the Development Loan Fund loaned \$8.8 million to UTE for telephone expansion, *Foreign Commerce Weekly*, April 27, 1959. During the preceding December, contracts had been let for the installation of 67,000 new phones, with all complementary equipment. *Fortnightly Review*, December 20, 1958.

¹⁹⁵ See J. J. Johnson, *op. cit.*, 1-14, for a general examination and discussion of this phenomenon; at p. 45-65, Uruguay is discussed in detail.

¹⁹⁶ Manufacturing establishments, 1936-1958.*

Item	1936	1954	1956	1957	1958
Establishments	11,470	25,331	28,349	31,327	32,406
Administrators	10,403	28,500	40,123	45,364	43,226
Laborers	70,725	176,823	195,413	217,254	219,935
Total employees	81,128	205,323	235,536	262,618	263,161
Capital, million pesos	247	1,585	1,917	2,264	2,365
Value machinery, do	83	495	619	761	786
Value output, do	265	2,427	2,934	3,534	3,906

* U. S. Department of Commerce, Bureau of Foreign Commerce, *Basic Data on the Economy of Uruguay*, World Trade Information Service, Economic Reports, Part 1, no. 60-34 (Washington, 1960), 8; Uruguay, Ministerio de Industrias y Trabajo, Dirección de industrias, *Censo industrial del año 1958*, 1. This latter report is cited hereinafter as *Censo*.

By way of comparison, *Incógnita*, 7, reports 47,635 employees with the government enterprises in 1956, and a total of 155,218 government employees in that year.

¹⁹⁷ *Sofrerail*, 20-21.

¹⁹⁸ *Censo*, 4. See *Portrait*, 87-105, for a detailed discussion of Montevideo's predominance in the national economy.

¹⁹⁹ See, for example the recommendations of the International Monetary Fund's investigating mission in 1959, discussed *infra*, 317-318.

²⁰⁰ *Censo*, 2.

²⁰¹ *Vigente*, 309-323. A large part of this precis is found in English in Pan American Union, Department of International Law, *A Statement of the Laws of Uruguay in Matters Affecting Business* (Washington, 1952, 2nd ed.) 19-27. Some more recent legislation has been enacted regarding corporations (laws of 29 February 1919 and 29 April 1950), but they relate only to government offices which have inspection powers regarding such enterprises.

²⁰² *El País*, December 15, 1959. The original committee's membership reflects the interest groups involved: Miguel U. Rocca, of the University's Law faculty, President of the committee; Pérez Fontana, the author of the draft; Rodolfo Mezzara Alvarez, for the College of Lawyers (the bar association); Rafael Novoa, for the Office for collection of surplus profits; Arturo Larena Acevedo, for the Chamber of Commerce; Emérito Arrospide, for the Association of Notaries; Luis A. Faroppa, for the Faculty of Economic Sciences; Lorenzo J. Vilizio, for the College of Accountants (a professional association); Jorge Presno, Secretary of the Chamber of Commerce, as Secretary of the Committee.

²⁰³ *El País*, March 16, 1960. Many of the members of the new committees were carry-overs from the older one: Larena Acevedo, President of the committee; Rocca, Pérez Fontana, Mezzara Alvarez were among them. New members included Jorge Pierano Facio, President of the Chamber of Commerce; Jorge A. Anselmi, for the College of Accountants; and Bernardo Supervielle.

²⁰⁴ In June, 1960, for example, there was serious discussion of the establishment of an assembly plant in Colonia for the Rambler automobile; it would involve an investment of \$2 million by the parent company, with the balance subscribed by Uruguayan sources. It was expected that it would permit the sale of Ramblers for some 40% less than previously. After several weeks of discussion the plan failed. *Monthly letter*, June 20, 1960. Another example grew out of preliminary planning for and optimistic talk about the erection of a steel plant in Florida, to be based on low-grade ore deposits at Valentines. The cost was set tentively at \$12 to \$14 million; both French and Uruguayan capital would be involved. This plan also failed to materialize. *Fortnightly Review*, December 5, 1959; and *Diario Rural*, March 7, 1959.

The modest industry which has been established in the country, and which for the most part satisfies consumers' goods or construction needs, has expanded its operations in the past few years. Thus, General Electric del Uruguay, S. A., completed a new plant in May, 1958, to produce industrial chemicals, plastics, enamels, refrigerators, washing machines, etc., in addition to its already operating radio and television plant. *Fortnightly Review*, June 7, 1958. In 1960 this same plant received several million dollars in the form of an Export-Import Bank loan of pesos derived from P. L. 480 agricultural surpluses shipments to Uruguay.

²⁰⁵ Interviews, Dr. Carlos Rama, February 7, 1960; and Jorge Sierra, July 4, 1960. An excellent academic study of the entire problem is the book by Israel Wonssewer and others, *Aspectos de la industrialización en el Uruguay*, (Montevideo, Publicaciones de la Universidad, 1959).

²⁰⁶ *El País*, February 19, 1960, reports the signing of the treaty, as well as its contents. The entire matter is analyzed in a critical article by Theodore A. Sumberg, "Free Trade Zone in Latin America", *14 Inter-American Economic Affairs* #1 (Summer 1960), 51-64.

²⁰⁷ In October, 1957, the Cámara Nacional de Comercio wrote to the Chamber of Deputies regarding the economic condition of the country, "The excessive involvement of the State increases constantly in Uruguay, contributing to the inflation and economic and social disequilibrium which we must endure . . ."

²⁰⁸ *Supra*, 243, note 164.

²⁰⁹ Street, *op. cit.*, 29-33.

²¹⁰ *5 Obras Históricas*, 311, reports the frigorífico established in 1884 by the *Compañía Inglesa de Carnes Congeladas del Río de la Plata* (English Frozen Meat Company of the Río de la Plata). Trias, *op. cit.*, 15, notes that it was an offshoot of British railroad interests, and that the packing plant company's officers were also the officers

of one of the railroads. *Portrait*, 71-86, discusses agriculture in general; also Acevedo Alvarez, *op. cit.*, 316.

²¹¹ Two laws enacted in 1885 were designed to encourage the development of meat packing activities. One law guaranteed 6% annual interest to any company established in order to export fresh meat, if its invested capital were not less than 500,000 pesos. A second law raised the guarantee to 7% annually for companies with 3 million pesos or more invested capital. 5 *Obras Históricas*, 312.

²¹² 6 *Obras Históricas*, 595-596. In 1911, the Swift company built a plant in the Cerro section of Montevideo, and in 1915 the Frigorífico Artigas was built by the Armour company. Also, Trías, *op. cit.*, 21-22.

²¹³ Wool Exports by Uruguay, 1856-1879^a

Year	Quantity (bales) ^b	Year	Quantity (kilos)
1856	2,798	1870	12,545,400
1858	2,595	1871	15,604,750
1861	6,659	1872	16,256,839
1863	14,210	1873	16,025,530
1865	25,610	1873	16,947,701
1866	39,706	1875	10,127,943
1867	no data	1876	no data
1868	47,105	1877	17,146,005
1869	55,052	1878	16,912,848
		1879	17,908,945

^a *Obras Históricas*, vols. 3, 4 and 5.

^b Bales equal approximately 350 kilos of wool at this time.

²¹⁴ Trías, *op. cit.*, 19-20.

²¹⁵ Snyder, *op. cit.*, 5, 8, and 9, gives the following data:

Distribution of Rural Population and Selected Products, 1958.

Department	Population per km ²	Wheat production hectares/km ²	Corn production hectares/km ²	Sheep, head per km ²
Artigas.....	2-4	1-2	0-1	130-170
Salto.....	2-4	2-4	0-1	130-170
Paysandú.....	2-4	12-15	0-1	130-170
Río Negro.....	2-4	12-15	1-2	130-170
Soriano.....	2-4	19-22	1-2	100-120
Colonia.....	7-9	19-22	2-4	under 60
Rivera.....	2-4	0-1	1-2	100-120
Tacuarembó.....	1-2	0-1	0-1	100-120
Durazno.....	1-2	1-2	0-1	130-170
Flores.....	2-4	4-7	1-2	190-210
San José.....	4-7	4-7	4-7	under 60
Cerro Largo.....	2-4	0-1	1-2	100-120
Treinta y Trés.....	1-2	0-1	0-1	130-170
Florida.....	2-4	0-1	2-4	100-120
Lavalleja.....	2-4	0-1	2-4	100-120
Rocha.....	2-4	0-1	0-1	100-120
Canelones.....	24-25	2-4	15-16	under 60
Maldonado.....	4-7	1-2	2-4	190-210

²¹⁶ *Ibid.*, 361; Solari, *Sociología rural nacional*, *op. cit.*, 78; interview, Daniel García Capurro, August 10, 1960.

²¹⁷ Martínez Lamas, ¿A dónde vamos?, *op. cit.*, 13-27, compares data from 1897 and 1936, and finds impressive evidence to support the statement that exports in the earlier year were substantially larger:

Item	1897	1936
Tons of cargo shipped from Montevideo.	544,812	250,406
Cattle processed for export, head.....	671,000	499,000
Live cattle exports, head.....	88,000	32,000
Live sheep exports, head.....	215,000	21,000
Wool, tons.....	51,678	46,009

Martínez also suggests that average shipments for selected periods decreased over this time span:

Item	1892-1896	1932-1936
Annual average, tons of flour.....	83,000	35,000
“ tons of wheat.....	207,000	196,000
“ tons of corn.....	208,000	67
Cattle, total shipment, head.....	3,694,596 *	2,873,540

*period 1882-1886.

In all fairness, it should be noted that the period 1932-1936 spans the period of greatest drop in Uruguayan exports due to the onslaught of the great depression of the 1930s.

The Ministry of Agriculture reports the following production data:

Agricultural Production, 1928-58, selected commodities, metric tons.*

Period	Wheat	Corn	Linseed	Period	Wheat	Corn	Linseed
1928-29	334,872	52,895	51,555	1943-44	300,630	232,075	72,494
1929-30	358,079	182,083	81,699	1944-45	180,852	66,397	103,108
1930-31	200,548	146,283	128,422	1945-46	216,595	81,936	131,039
1931-32	306,434	161,057	122,967	1946-47	181,826	114,655	72,214
1932-33	147,146	106,302	37,465	1947-48	423,542	137,080	98,113
1933-34	399,534	131,647	73,070	1948-49	518,301	84,825	116,756
1934-35	290,434	161,734	86,405	1949-50	451,976	89,270	74,663
1935-36	410,849	123,934	76,378	1950-51	434,729	278,467	90,003
1936-37	251,626	116,306	76,476	1951-52	477,588	117,164	141,609
1937-38	451,103	132,771	94,703	1952-53	462,525	207,977	141,609
1938-39	420,787	158,688	112,442	1953-54	818,619	212,233	64,519
1939-40	269,467	127,284	134,532	1954-55	853,572	191,911	62,971
1940-41	192,141	118,629	55,145	1955-56	829,427	208,881	51,314
1941-42	371,975	117,277	46,914	1956-57	588,891	163,228	72,445
1942-43	377,140	46,490	45,933	1957-58	777,945	73,440	167,760

* Reported in Banco de la República, *Suplemento estadístico de la Revista Económica*, January, 1954 (#116) and February, 1960 (#189), p. 28 in each case. See note 163, *supra* 359, for other crop data.

It should be noted that the extraordinarily large wheat production in the years 1953-54 through 1957-58 are the results of heavy government subsidies. The following estimated figures show the effects of the 1959 flood and the 1959-60 drought:

Period	Wheat	Corn	Linseed
1958-59	359,703	267,500	72,009
1959-60	173,341	133,000	48,000

²¹⁸ Martínez Lamus, *Riqueza y pobreza*, *op. cit.*, 361-364, estimates that a concerted program to place families on plots of 5 hectares (12.3 acres) each would make it possible for the country to support up to one million additional families, and would result in a gross agricultural product up to six times greater than at the time he wrote. The date appears to have been in the middle 1930s, rather than the publication date of his second printing, which is 1946. It may be observed that the expectation that a family could be settled on only 5 hectares appears optimistic, although the theoretical point is not thereby nullified.

²¹⁹ Uruguay, Cámara de Senadores, *Instituto Nacional de Colonización* (Montevideo, 1948); this publication reports the text of the law, the report of the Special Legislative Committee on Agrarian Reform, and the full parliamentary debates on the subject which occurred December 1 to 10, 1947. See also, María Teresa Montañes, *Desarrollo de la agricultura en el Uruguay* (Montevideo, 2nd printing, 1950); and Isaac Morón, *Problemas de la colonización en el Uruguay* (Montevideo, 1946).

²²⁰ Law 12,394, 2 July 1957 (1957 *Registro*, 740-747), established a *Plan Agropecuario* (agricultural and stockraising plan) for improvement of agriculture. It provided for agricultural research in improved seeds, use of fertilizers, insecticides, and legumes, the use of credit for the erection of sheds and other protection for cattle, and for establishing watering places and pastures, and the training of potential specialists. Although this law was somewhat broader in its scope than its predecessors, its purposes were similar.

Law 9,127, 14 November 1933 (1933 *Registro*, 940-941), is the first law to establish a minimum price for wheat. The minimum was set at 4.50 pesos per 100 kilos of dry, first quality, wheat delivered to Montevideo or to other designated points. This minimum is calculated each year, and the central bank is charged with its administration. By the crop year 1959-60, the subsidy level had been raised to 55 pesos per 100 kilos, *Fortnightly Review*, February 13, 1960), although in the crop year 1957-58 it had been fixed at 17 pesos per 100 kilos delivered in Montevideo. Decree, 9 January 1958 (1958 *Registro*, 42-45). Subsidies also are extended, in the form of minimum prices, to linseed (flaxseed), cotton, rice, peanuts, potatoes, grapes, and other crops.

The *Servicio Oficial de Distribución de Semillas* (Official Seed Distribution Service) for a number of years has been charged with the development or importation of improved seeds of all types for sale and "loan" to responsible farmers. Thus, Law 12,390, 28 May 1957 (1957 *Registro*, 579-585), established the conditions on which such sales or loans would be made, including prescription regarding the moral status and reputation of the recipients. A Decree of 21 February 1957 (1957 *Registro*, 313-314), provided 600,000 pesos from the Exchange Differences Fund (the profits to the State resulting from its control of foreign exchange) to subsidize this service.

²²¹ The IBRD sent a technical mission to study the country's agricultural problems and potential in May, 1958. Subject to its recommendations, a \$7 million loan for improvement of the cattle and sheep industry was negotiated. Although the directing specialist, Dr. James Breakwell, arrived from Australia in early February, 1960 and began work immediately, the General Assembly did not approve the contract until two deadlines had been overrun and a final one was set. *Fortnightly Review* August 27, 1960. The arrangements provide for \$2.6 million to be used for farm machinery; \$1.8 million for wire fencing posts and pickets; \$900,000 for importation of spare parts for agricultural machinery; \$600,000 for forage crop seeds; \$500,000 for water pumps, pipe, drilling equipment; \$400,000 for other water machinery and equipment; \$200,000 for barns and other structures. The central bank was to supply 4 million pesos from available funds, and a 10 million peso bond issue would be floated for local funds.

The funds involved are to assist the development of 600 properties, totalling 600,000 hectares, over a period of three years. The IBRD mission anticipated that development along the lines suggested would permit these properties to add between \$3 and \$4 million annually to Uruguay's ability to export. *El País*, January 10, 1960. Also, see *Foreign Commerce Weekly*, January 11, 1960.

²²² Distribution of Land, 1908, 1943, 1951 and 1956.^a

Size of Area (hects)	1908	1943		1951				1956											
	num-ber	num-ber	area total ^b	num-ber	% of props.	area total ^b	% of area	num-ber	% of props.	area total ^b	% of area								
1-5	{ 5,899 }	42,979	1,296	10,935	12.85	29	.17	12,844	14.41	34	.20								
6-10				11,117	13.04	77	.45	12,193	13.68	84	.50								
11-50				11,240	30,681	35.98	728	4.29	31,594	35.44	741	4.42							
51-100				7,294	10,375	12.17	732	4.32	10,345	11.61	730	4.36							
101-200	8,445	6,638	961	7,814	9.17	1104	6.50	7,864	8.82	1104	6.59								
101-300				3,416	7,241	8.49	2272	13.39	7,157	8.03	2236	13.34							
301-500	3,416	2,940	2,092		3,475	4.08	2444	14.40	3,528	3.96	2478	14.79							
201-500	3,514	1,766	2,498	2,452	2.88	3810	22.44	2,443	2.74	3794	22.64								
501-1000												2,940	2,092	3,475	4.08	2444	14.40	3,528	3.96	2478	14.79
1001-2000	2,390	379	1,681	763	.89	2584	15.22	807	.91	2700	16.11								
2001-3000												425	500	763	.89	2584	15.22	807	.91	2700	16.11
2501-2750	425	311	2,882	316	.37	2065	12.16	287	.32	1892	11.29								
2751-5000	500											316	.37	2065	12.16	287	.32	1892	11.29
2500-5000	191											71	.08	1130	6.66	68	.08	965	5.76
5001-7500	166											71	.08	1130	6.66	68	.08	965	5.76
7501-10000	112	311	2,882	316	.37	2065	12.16	287	.32	1892	11.29								
5000-10000												112	311	2,882	316	.37	2065	12.16	287	.32	1892	11.29
over 10000	112	311	2,882	316	.37	2065	12.16	287	.32	1892	11.29								

^a Sources: 1908 and 1943, Solari, *Sociología rural nacional*, *op. cit.*, 383, ff. 1951 and 1956, Ministerio de Agricultura y Gandería, Departamento de Economía Rural, *Censo General Agropecuario, 1956*, Table 4.

^b Areas in thousands of hectares.

The rural censuses taken each five years were established by law 4,294, 7 January 1913 (*1913 Registro*, 12-14).

²²³ Population on rural properties, 1951 and 1956.^b

Year	Population		Average per Property	Rural Workers		Average per Property
	Men	Women		Men	Women	
1951	255,000	198,912	5.32	197,450	126,479	3.80
1956	233,675	190,184	4.64	182,826	110,231	3.29

^b Source: Ministry of Agriculture and Stockraising, *op. cit.*, Table 1.

²²⁴ Solari, *Sociología rural nacional*, *op. cit.*, 290-291, comments on the census to 1951. The really large latifundios do not appear to have been affected by government policy; rather, the division of land holdings has apparently been drawn from middle-sized ones. The owners of holdings of over 1,000 hectares comprised .13% of the population in 1908; in 1951 they were .04%; therefore, in proportion to the total population of the country, the great properties, with the greatly increased realty values based upon them, are more concentrated.

On the other hand, Solari points out, holdings of 5 hectares or less are more numerous, but they cannot be regarded as satisfactory solutions to the land tenure problem. On the whole, the 1956 data support these generalizations.

²²⁵ *El País*, March 14 and 19, 1960, suggests that the wheat subsidy program has been productive of large government budgetary deficits but not of permanent good for the country. It is urged that wheat be considered as a major fodder crop for animals, rather than the corn which has been used. It points out that there has been a tendency, because of the generous subsidy programs, to plant pasture land to wheat; this destroys the land for grazing, it is suggested, since the soil is exhausted by this intensive use for which it is not suited, and must recover.

A vigorously socialist interpretation of the subsidy program is presented by Trías, *op. cit.*, 21-22, although *El Bien Público*, March 18, 1958, is editorially very critical for almost the same reasons.

A member of the economic section of the United States Embassy took a sympathetic view of the subsidy program, however. Prior to its establishment, he held, there had been no guarantee of any kind for commodity prices, other than that would be low. The subsidies have meant substantial improvements in living levels for the small farmers as well as the great latifundistas.

²²⁶ Solari, *Sociología rural nacional*, *op. cit.*, 282. Solari points out that the fencing of the great properties had a seriously detrimental effect on the rural populations, however. Land now could be managed with far fewer workers than before, and thus many were forced into the *rancheríos* or rural slums.

²²⁷ Law 3,606, 13 April 1910 (1910 *Registro*, 349-360), established an animal and meat inspection service, which would be concerned with the prevention and eradication of animal diseases. It would be performed by the *División de Gandería y Policía Sanitaria de los Animales* (Division of Stock raising and sanitary police for animals) of the Ministry of Agriculture. Lack of enforcement of the law has always been detrimental to the country's export capacity. *Marcha*, November 18, 1960, reported the termination by Great Britain of pork importation from the Río de la Plata because of the prevalence of hoof and mouth disease. *Marcha*, May 20, 1960, reported also on the seriousness of ticks and other insects as dangers to animals and to export capacity.

²²⁸ Decree, 17 July 1915 (1915 *Registro*, 481-517), established standards of inspection of animals, methods of slaughter, etc., as well as minimum working conditions, etc., for workers. Subsequent legislation established procedures for examination of accounts.

²²⁹ Law 8,282, 6 September 1928 (1928 *Registro*, 491-499). See Hanson, *op. cit.*, 86-93, regarding the early history of the Plant and its managerial problems. In large part these still exist. Interview, A. J. Ferrando, General Manager, Establecimientos Frigoríficos del Cerro, S. A., August 11, 1961.

²³⁰ By the middle of 1953, smuggling was believed to be at about 300,000 head annually; in a normally good year, about 1,200,000 head are slaughtered in all of Uruguay, with the majority of them being killed under unregulated circumstances in the interior.

Law 12,147, 22 October 1954 (1954 *Registro*, 934-935), established the legal bases for curtailing the traffic. Decrees by the Ministers of Interior, Treasury, National Defense, Stockraising and Agriculture, of 12 April 1956 (1956 *Registro*, 413-423) attempted to tighten the controls, but without effect. In September, 1957, the National Council discussed the possibility of using military forces to supplement the usual customs guards. This fell with the realization that the army did not have the equipment necessary to make such action effective. *El Bien Público*, October 1 and November 19, 1957.

Visión, October 12, 1956, 12 ff, discusses the situation in some detail.

²³¹ An Executive Council decree of 15 April 1953 (1953 *Registro*, 378-380), illustrated the power of the cattle industry to demand favors of the government. It specified that the subsidy would be 100 pesos per metric ton on frozen beef exports and 30 pesos per ton for chilled beef, and that this subsidy would be paid by the central bank above a guaranteed 2.35 pesos per dollar earned by exports.

Law 12,233, 28 October 1955 (1955 *Registro*, 1031-1033), authorizes the sale of 18 million pesos of bonds to subsidize the industry. 3 millions will supply meat to Montevideo, 2.5 millions will subsidize the export of preserved meat products, 6.6 millions will subsidize the export of 20 million kilos of frozen beef, and 2.1 millions will finance other exports of frozen and preserved meat.

The industry itself often finds common cause with the labor unions whose members are employed in the plants. Thus law 12,217, 16 August 1955 (1955 *Registro*, 814-815), provided for a cash payment by the treasury to the *Caja de Compensación por Desocupación en la Industria Frigorífica* (Unemployment Fund for the Packing Industry) of 800,000 pesos, so that workers out of work as the result of the work stoppages in the Frigonal would be paid for three months at the rate of 100 hours of hourly wages monthly, and also would be supplied with up to 12 kilos of meat per worker. The bill was passed with the lobby support of the stockraisers.

The purchase of live or dressed cattle in Argentina, was reported in great detail in *El Bien Público*, November 19, 1957. It actually had been negotiated in 1956, however. A decree by the Ministers of Stockraising and Agriculture, Treasury, Industry and Labor, and Foreign Relations, of 28 February 1956 (1956 *Registro*, 355-359), noted that negotiations for up to 60,000 head were now completed, and would be used exclusively for the foreign-owned private plants of Uruguay. Swift would slaughter 40.72% of the imported cattle; Armour would have 32.35%, Anglo (an English firm) would have 22.55%, and Casablanca, a small plant owned by a group of several nationalities, would have 4.38%.

Another step, to relieve financial pressure on the Frigorífico Nacional, was the enactment of law 12,475 of 17 December 1957 (1957 *Registro*, 1419-1423), which authorized the Plant to issue up to 40 million pesos' worth of new capital funds bonds. In part this was due to the failure of meat-purchasing government agencies to pay their debts with the Plant. At the same time, the Plant's Board now was authorized to recommend price changes to the Department executive Council with the understanding that if no action were taken to offset the proposals, they would take effect within eight days. Such price rises were seldom allowed in full, however, and the comparatively limited freedom allowed the Plant was offset by government action fixing price ceilings on live animals delivered in the official auction markets.

The urgency of the matter was indicated clearly by the very unusual speed with which the Assembly passed this law. It was recommended by the Executive Council in a bill sent to the Senate on December 3rd; after passing through the committee stage, it was passed by the Senate on December 12th, by the Deputies on the 13th, and was promulgated by the Executive Council on the 17th. The haste was motivated in large part by the definitive statement by the United States-owned plants in November that they would stop operations and withdraw from the country on December 20th.

Law 12,541, 16 October 1958 (1958 *Registro*, 1112-1115), authorized the Treasury Minister to pay directly to the plant up to 10 million pesos in order to reimburse it for overdue debts by government agencies. The payment was not actually made until ordered by a decree by the National Executive Council on March 17, 1960. Reported by *El País*, March 18, 1960.

²³² *El País*, February 11, 1960. Sales had been 44,500,000 pesos; the deficit had been 3,002,293 pesos.

²³³ *El Bien Público* (air edition), December 10, 1957. Ibid., January 7, 1958, publishes a very frank interview with Alberto Gallinal Heber; reputedly the country's most wealthy man and certainly one of its largest stockraisers, in which he analyzes the faults of government policy.

²³⁴ Law 12,541, 16 October 1958 (1958 *Registro*, 1112-1115) provided for a six month period of limited free market operations. The political opposition condemned this as a Colorado ruse to keep the conservative wing of the party loyal in the coming election. The wedge already existed, however, and many conservatives voted the Herrera-Nardone ticket.

The June 5, 1959, action went a good deal further (2 decrees, 5 June 1959, 1959 *Registro*, 520-528). A *Junta Nacional de Carnes* (National Meat Committee) was organized with 14 members. The delegate of the National Executive Council presides; there are delegates from the Ministers of Industry and Labor, and Treasury; of the Montevideo Departmental Council, of the Interior Departments, the Frigorífico Nacional, the privately-owned Frigoríficos, the LFAR, the Asociación Rural, the Federación Rural, the Cattle Forwarders' Association, the new private enfranchised marketers who are now allowed to sell in the city, the Autonomous Meat Worker's Federation, and the Union of Workers of the Frigorífico Nacional. A three-member executive committee will be the working body for the Junta; it will include the chairman, and representatives of the workers and the ranchers. The Junta has very broad powers to investigate meat supply and marketing problems, and to make recommendations for their solution to the Executive Council. The Junta is authorized to supervise conditions in the slaughter-houses of the Interior as well: this extension of national control is the most positive yet legislated.

At the same time, "*Abastio Libre*" (Free supply) was established. Although the national Plant retains exclusive slaughtering duties for the supply of Montevideo, it is now to process animals to the account of private concessionaires who are enfranchised by the decrees; such animals will be processed through the Plant's facilities, however, and marketed in Montevideo through its outlets.

The free supply system became effective August 7, 1959. The licensed private dealers were able to purchase animals to be slaughtered to their account by the Frigonal. The government plant had been unable to supply meat to Montevideo for a number of month previous to this time, since it had exhausted its funds completely and could not obtain credit. The plan therefore appeared, from the viewpoint of the workers of the plant and of its continued operation, as a means of tapping private funds to continue its physical operations. Since the elimination of the monopoly also was accompanied by removal of price ceilings on animals, prices in the Montevideo market rose 38% to 40% within a few days. By the end of September, 20 firms were legally able to supply meat to the city market.

Due to a severe drought in the summer of 1959-60, deliveries would have mounted anyway. It is therefore difficult to determine the effect of the decrees acting alone. Deliveries in the 19-month period ending in July, 1960, were as follows (in head of cattle; each period is for four weeks unless otherwise indicated):

Date ending	Head	Date ending	Head	Date ending	Head
21 Jan. 1959	42,419	21 July 1959 (5)	27,556	18 Jan. 1960 (5)	52,533
20 Feb. 1959	54,714	21 Aug. 1959	11,912	18 Feb. 1960	52,867
19 Mar. 1959	33,474	18 Sep. 1959 (5)	12,030	16 Mar. 1960	46,433
20 Apr. 1959	15,754	21 Oct. 1959	27,863	20 Apr. 1960	53,233
21 May 1959 (5)	26,607	19 Nov. 1959	15,016	20 May 1960 (5)	80,785
18 June 1959 (5)	55,282	16 Dec. 1959	25,433	20 June 1960	60,034
				21 July 1960	38,463

Source: *Monthly Letters* for period covered.

For other results of the meat packing problems of the period 1950-1960, see Philip B. Taylor, Jr., "Meat Export Needs Jolted in Uruguay", *Christian Science Monitor*, August 24, 1960, Boston edition.

²³⁵ Trias, *op. cit.*, discusses the parliamentary investigation in p. 17-20. The fraud involved resulted from inaccurate reporting of exports under the decree of April 15, 1953, for payment of the special subsidy; misrepresentation of costs of production; and misrepresentation of prices obtained in London markets, according to this article. The committee stated that it found Swift's 1951-54 earnings were 8,336,435 pesos, against a reported 1,860,445; that Armour earned 6,906,239 pesos, although it reported net losses of 8,336,435 pesos. The committee found that in the period 1948-56, Swift sent 45,787,092 pesos in earnings to the United States, and Anglo, an English plant, sent 16,327,000 pesos in earnings, although all plants pleaded poverty as a basis for demands for subsidies. Trias concludes, "All this demonstrates that successive governments have shamefully delivered the wealth and the labor of the people to imperialism".

Information on periods of delivery of animals to market is based on interviews with commercial officers of the United States Embassy.

²³⁶ See discussion, *infra*, 379, note 238. In 1938, Martínez Lamas noted in *¿A dónde vamos?*, *op. cit.*, 106, that at that time the State took 25% of the value of shipments of stock to the markets, "apart from exchange control". He concluded "In total, this makes 55 million [pesos] each year wrested from rural labor." He held that this not only discouraged immigration of would-be farmers and cattlemen to the country, but also that it permitted Uruguayan wool to be underpriced by Australia, Canada, and the artificial fibers from Japan.

²³⁷ The retentions were expected to yield 80 million pesos annually to be used for assistance to agriculture. It was to be used as follows:

- 30 million: fertilizers production, subsidization, and use
- 5 million: sanitation and anti-pest measures to improve animals
- 2 million: air and ground spraying to control pests in crops
- 15.8 million: seed research, production, distribution and subsidization
- 12 million: stimulate the production of baby beef and shorten time of delivery to markets
- 8 million: research and experimentation on plants, and agricultural extension services
- 4 million: soil conservation, afforestation, development of a soils map of the country
- 3.2 million: reorganize the milk industry, promote small farm activities, family gardens, construction of reservoirs, study the wool industry, etc.

It was expected that the 80 million pesos would amount to 20% of the proposed annual yield of 400 million pesos from the retentions. In case the yield was smaller, the first four projects listed would have priority. Experience proved that the estimated total yield was extremely optimistic; in 1960 retentions yielded 338 millions. Further, because retentions were cut sharply because of pressure by exporters, the yield was expected in 1961 to total only 160 million pesos. *Fortnightly Review*, January 28, 1961. *Ibid.*, March 25, 1961, reported that 77 million pesos were budgeted among the eight areas, however, with the majority of the decrees dated February 23, 1961.

²³⁸ Julio Martínez Lamas, *¿A dónde vamos?* (Montevideo, Imprensora Uruguaya, S. A., 1938), 49. In the period after the flush days of the first world war, Uruguay's payments balance was chronically negative, reports Martínez; he estimates the deficit in this period was about 190 million pesos.

The central bank was given complete control of all exports by a decree of 4 April 1935 (1935 *Registro*, 248-249); this was intended to grant the bank, as agent for the government, discretionary control over the matter. By a decree of 4 December 1937 (1937 *Registro*, 857-858), the bank's recommendations regarding the peso-pound sterling rate were accepted as official, and the bank was authorized as sole agent for the State in the purchase and sale of foreign exchange. The profits from these transactions were to be used for specified purposes, including subsidy of wool exports and newsprint imports, the servicing of Uruguay's overseas debts, and contribution to the operating costs of the government. These profits were managed in the "Exchange Differences Fund."

With the coming of the second world war, and the assured high prices of the period, the government decreed on 27 November 1939 (1939 *Registro*, 957-958), the handling of all foreign exchange at the open market rate. The bank remained the State's agent for such sales and purchases of exchange, however.

²³⁹ Banco Comercial, *Información económica del Uruguay*, #12 (April, 1958), 8, discusses the events of the period in some detail; it refers to the artificial nature of the valuation of the gold and foreign exchange holdings of the Issue Department, at 1.519 pesos to the dollar. In terms of the open market rate, of course, the interpretation is entirely correct; the valuation made the Uruguayan peso the most solidly-backed currency in Latin America at the time.

²⁴⁰ 1956 *Registro*, 805-812.

²⁴¹ *Monthly letter*, August 20, 1957; Banco Comercial, *op. cit.*, 4-8.

El Debate observed in March, 1958, that the data released by the central bank on December 31, 1957, indicated the deficit in its reserve position was actually \$292,-668,661, substantially more than admitted officially. The newspaper remarked that this was equal to the dollar income which could be expected from four normal years of wool exports, and was hardly likely to contribute to foreign optimism about the government's foreign trade policies. Reported in *El Bien Público* (air edition), March 18, 1958.

²⁴² *El Bien Público* (air edition), December 3 and 10, 1957; and February 11, 1958. Bilateral trade agreements were concluded with Argentina, Brazil, Bulgaria, Czechoslovakia, France, German Democratic Republic (East Germany), Israel, Italy, Greece,

Hungary, Paraguay, Poland, Rumania, Spain, Switzerland, and Yugoslavia. These countries enjoyed preferred treatment for the period of austerity in imports. All other countries's exports to Uruguay were sharply restricted to essential items for this period. *Fortnightly Review*, February 14, 1959.

The policy also was administered to favor the importation of finished and semi-finished goods rather than raw materials. Big businesses received about 95% of all import permits, and smaller businesses were forced to accept the balance; the effect was to force many small businesses to the wall. *Vision*, December 5, 1958.

²⁴³ *Monthly letter*, June 20, 1958. Exporters of wool textiles and combed wool now would receive 6.4 pesos per dollar; wool yarn, 5.2 pesos; apples, 5.78 pesos; butter and casein, 5.86 pesos. Also, *Fortnightly Review*, June 21, 1958.

The effect of the granting of special favors was disastrous. Other exporters soon began to demand special treatment, to the detriment of the government's policy. The decrees are analyzed in much detail by Carlos Alfredo Viera, *Proceso a una dictadura dirigista* (Montevideo, 1958).

²⁴⁴ The country's balance of payments problem was sketched quite simply by the Banco Comercial of Montevideo in the following table:

Annual Averages of International Payments, thousands of dollars.^a

Period	Exports	Imports	Balance
1946-1950	189,003	187,853	+1,150
1951-1955	229,533	247,392	-17,859
1956-1960	141,025	204,732	-63,707

^a *Información Económica del Uruguay*, #18 (April, 1961), 1.

Also indicative has been the steady deterioration of the peso on the world market:

Free Exchange Rate (Open Market Sight Operations), 1948-1961,
value of \$100 (U. S.) in pesos.^b

Year	June 30	Dec. 31	Year	June 30	Dec. 31
1948	.....	204.81	1955	337.00	374.00
1949	.....	260.00	1956	400.00	405.00
1950	265.00	225.00	1957	410.00	466.50
1951	225.00	225.00	1958	689.50	1080.00
1952	225.00	225.00	1959	1004.80	1118.20
1953	225.00	306.50	1960	1143.00	1095.00
1954	311.50	320.00	1961	1103.00	

^b Banco de la República, *Suplemento Estadística de la Revista Económica*; and *El Bien Público*.

²⁴⁵ *El Bien Público* (air edition), September 15, 1959. The Communist party also took the nationalist position; it dubbed the mission, "International jackals of finance." In Executive Council debate on the IMF recommendations, the Treasury Minister was forced to say in response to an extremist position taken by a quincista Councillor, "It seems to me that above all we are Uruguayans, and we must be aware of our sovereignty. If the Monetary Fund imposes on us any policy which might debase this sovereignty in the slightest, I will be the first to place myself in opposition."

²⁴⁶ *Fortnightly Review*, September 26, 1959; *Hispanic American Report*, September, 1959. The invitation from the IMF to double the \$15 million quota was reported in *El País*, June 21, 1960.

²⁴⁷ *El País*, July 4, 1960.

²⁴⁸ Deputy Dardo Ortiz, UBD, expressed the opinion that the bill presented for the Reform was largely the work of Treasury Minister Azzini himself, rather than of a team of advisers or specialists on international trade and finance. The only other individual he suggested might have played a significant role in drafting the bill was Raúl Ibarra San Martín, the Accountant-General of the Nation. Other informants appeared to regard the bill's contents as reflective of the IMF report plus Azzini's somewhat academic estimate of the country's needs; there was a distinct overtone in

these comments that Azzini was the Uruguayan counterpart of the so-called "egghead" academician in the United States.

²⁴⁹ By decree of 17 February 1960, the Executive Council established an Honorary Commission to define "luxury" goods for taxation or import control purposes. The list is to be revised quarterly in terms of criteria named in the decree: 1. Is the item essential for the country's economic development? 2. Is it of common or traditional use by the people? 3. Is it for the maintenance of public health or sanitation standards? 4. Is it to be used for public transportation, or for the exchange of ideas by any means including motion pictures? *El País*, February 18, 1960.

²⁵⁰ Article 7 of the law lists the prospective uses of the retentions fund. 20% will be used for subsidy of foods, transportation and services generally regarded as essential to the lower classes. 20% will be used "for the protection and aid of basic industries", encouragement of stock-raising and encouraging of the dairy industry, afforestation, development of agricultural and horticultural production, etc. 15% will be used to build farm-to-market roads, with route determination to be by Departmental governments. 35% is to replace tariffs on importation of medicines, laboratory equipment, medical equipment, and agricultural machinery, and equipment and chemicals as defined as essential by decision of the Executive Power. 50 million pesos of the proceeds of this allocation will be turned over to the Banco Hipotecario for the financing of further home loans. The final 10% of the retention fund is to be available to the Executive Council on a discretionary basis, to bolster any one of the foregoing purposes for which insufficient funds have been developed.

Although during the parliamentary debates on the bill, Azzini talked optimistically of having as much as 750 million pesos available annually in the retention funds, after the enactment he tended to estimate the fund to be 400 millions. Because of the wool dealers' refusal to deliver or sell their commodity, and the general decrease in the country's ability to export, the fund actually fell below this figure in 1960.

²⁵¹ The previous definition of the peso was of .585018 grams of pure gold, 900 fine; law 9,760, 20 January 1938 (*1938 Registro*, 54-55). The new definition, by article 10, is of .136719 grams of pure gold, 900 fine.

²⁵² The Reform law is #12,670, 17 December 1959 (*1959 Registro*, 1378-1385).

²⁵³ Article 6 of the law defines these limits: Unwashed wool retentions are to be between 25% and 50% of the peso proceeds of the sale; washed and semi-washed wool, thread, textiles, etc., between 5% and 50%; flax seed and linseed, and products, between 5% and 50%; sunflower and all derivatives, peanuts, wheat, beef, and mutton also receive this same treatment. Central bank recommendations are to be considered in establishing the actual level of the retention.

²⁵⁴ An example of this was the UTE general stoppage for one day on August 12, 1959. A complete stoppage of activity in the country resulted. The Executive Council responded by declaring an emergency, warranting the declaring of the "prompt means for security" measures authorized under article 168, par. 17, of the constitution. The General Assembly accepted the declaration by a vote of 66 to 51, and the condition lasted for one week before being rescinded voluntarily by the Council. *El Bien Público* (air edition), August 18, 1959.

²⁵⁵ Interview, Senator Eduardo Bottinelli, March 30, 1960. The Senator had threatened to resign his Senate seat if Azzini were not removed by the Executive Council. Ultimately the matter was negotiated away, and both men stayed, without any change in the government's policy. Bottinelli had been the Reform bill's principal defender in the Senate debates, as reporter for the committee which had studied it. He therefore felt a personal stake in its enforcement as he had expected it. His view was that Azzini was personally weak, and that a stronger man would have lived up to his promises. He felt the optimistic promises Azzini had made ideally were possible of fulfillment, and that lack of skill and courage had made it impossible. Bottinelli clearly seemed to feel Azzini was a free agent, and capable of being generally independent of the influence of the Executive Council.

At this time the UBD leadership opened a general assault on Azzini. The matter developed into one more area of conflict between these leaders and those of the herrerista-Nardone sublema. It was resolved only after a long series of conferences among the representatives of the groups, held in the Blanco party's headquarters. *El País* and *El Día*, March 14, 1960, et seq. There was a general tendency to compare Azzini with the Argentine Minister of Economics, Alvaro Alsogaray, with Azzini coming off badly.

An official of the central bank who was interviewed concerning the actual decision-making process regarding retentions levels, stated his belief that they were determined by an informal committee of advisers of Azzini within the Treasury. None of the bank officials questioned was able or willing to identify these advisers, although the officials questioned in fact participated intimately in the administration of the retentions.

²⁵⁶ Interview, Senator Luis Troccoli, March 17, 1960.

²⁵⁷ Interview, Carlos Quijano, July 5, 1960. The estimate was that there had been an increase of land and animal values of approximately ten times, due to speculation and profit-taking. The estimate generally was accepted by officials of the central bank who were in touch with the matter.

²⁵⁸ Exporters had bought large stocks of raw wool from the producers early in 1960, expecting that the momentarily high international prices would be maintained. They failed to hold, however, and the producers then found that they could not sell in the export market at a rate of 11 pesos to the dollar and earn a peso profit, granted the retention level set by the decree of 22 December 1959 (1959 *Registro*, 1413-1415), at 54 pesos per 10-kilo export unit. With these ratios and prices, the tax became 52.7% of peso receipts. Therefore, the large exporters talked openly of holding on until the peso exchange rate became 15 to the dollar. Informants included both wool exporters and private bankers dealing with them.

Declarations of wool for shipment (in bales of 480 kilos of unwashed wool, or the equivalent—300 kilos of "tops" or 250 kilos of scoured wool) in the clip season October 1 to July 31, 1959-1960, amounted to a total of 101,885 bales; during the corresponding season 1958-1959, the total had been 173,050 bales. Yet during the preceding year there had been a serious deficit in the balance of trade! *El País*, March 26, 1960, reported the very concerned air of the discussion of wool smuggling which was carried on during the preceding night in the Executive Council. *Monthly letter* reported the announcement of the *Junta Nacional de Lanas* (National Wool Board) that up to April 30, 1960, a carry-over from the preceding clip year of 37,800 tons had been sold, as well as 33,000 tons of the current year; but the Board estimated that the country still had some 78,000 tons of wool which either had not been offered for sale by the exporters, or which were still being held by raisers who were unwilling to sell at prevailing prices.

²⁵⁹ Interview, with private bankers, March 30, 1960, indicated that the price of live cattle in Montevideo now was so attractive that there was some smuggling into Uruguay from Brazil; this was a reversal of the movement only the year before!

²⁶⁰ Interview, Deputy Manuel Flores Mora, March 29, 1960.

²⁶¹ *El Bien Público*, (air edition), July 26, 1960. The Senate voted the bill on July 6th and the Deputies on July 21st. The Fund had set a deadline of July 31st on the enactment. Criticism of the government's position was severe, and Uruguay's alternate governor to the Fund, Dr. Daniel Rodríguez Larreta, testified in its defense in the Treasury Committee hearings in the Senate. He made it very clear at this time that failure to vote the bill would probably mean the breakdown of relations with the Fund. *Fortnightly Review*, July 30, 1960, and April 18, 1961.

²⁶² *New York Times*, October 11, 1960. The agreed exchange rate was 7.40 pesos to the dollar. The Fund agreed to advance a stand-by credit equal to Uruguay's \$30 million quota, after the country's case was argued at Fund headquarters by Treasury Minister Azzini. The credit was to be made available at the rate of \$10 million during the first three months of the agreement, \$6 million additional in the second three months, and up to an additional \$4 million in the following four months. Private banks in the United States agreed to increase their credits to the central bank by up to \$52 million, and the United States Treasury offered an additional drawing account of \$15 million. *Fortnightly Review*, November 5, 1960.

In its letter of intention, Uruguay claimed that it would abolish all bilateral trading agreements except with Argentina and Brazil within one year; reduce all surcharges and prior deposits on imports other than a single category for all; abolish all

import prohibitions by September 30, 1960; liberalize and unify, at one rate, all retentions on exports within two years; maintain a balanced domestic budget by non-inflationary means; impose an income tax and generally limit the expansion of bank credit by means of control of rediscounts. It pledged that it would not use the credits requested for artificially revaluing the peso. *Fortnightly Review*, September 24, 1960.

²⁶³ This position of the United States is discussed in Philip B. Taylor, Jr., *Hemispheric Security Reconsidered* (New Orleans, Middle American Research Institute, Tulane University, 1957), 113-119. It is implicit in the program "Alliance for Progress", which has been announced by the Kennedy Administration, that this position has undergone some change, and that future United States policy toward government involvement or ownership will be more flexible.

²⁶⁴ Labor-management problems in the frigoríficos (packing plants) of Swift and Armour, United States private companies, were chronic all through the period from 1956 onward. By law 12,336, 20 November 1956 (1956 *Registro*, 1192-1193), a special investigating committee of the Deputies was organized and given subpoena power to obtain evidence. Chronic labor troubles in 1957 and 1958 finally resulted in the handing over of the plants by the companies to a corporation of the workers and employees of the two firms, on October 21, 1958. Law 12,542, 16 October 1958 (1958 *Registro*, 1116-1119), had authorized its constitution as the *Establecimientos Frigoríficos del Cerro, S. A.* (Meat Packing Establishments of the Cerro, Inc.). Although the employees were willing to undertake this responsibility, and organized a self-governing organization in order to assure themselves continued employment, it was necessary for the government to lend the physical plants rent-free, grant tax exemptions, extend a cash loan of 5,613,248 pesos for ten years at 5% interest to provide working capital, and assume numerous other debts left behind by the departing companies. The matter is discussed generally by this writer in the *Christian Science Monitor*, August 24, 1960.

²⁶⁵ Snyder, *op. cit.*, 62; *Fortnightly Review*, September 10, 1960. Law 9,756, 10 January 1938 (1938 *Registro*, 18-23), provided that Banks needed to have capital funds of only one million pesos; Banking Houses, 500,000 pesos; and *Cajas Populares*, 30,000 pesos. The distinctions related to decreasing ability to carry on the normal functions of a bank. The result of this small capital requirement was that, as inflation became more effective in the 1950s, many banks found their strength decreasing. Effective January 1, 1961, all new institutions are required to meet minima ten times as high, except for *Cajas Populares* which must be capitalized at at least one million pesos. *Foreign Commerce Weekly*, March 13, 1961.

For comparative sizes of the operations of the government banks as against the private banks, in March, 1960, see *supra*, 138-139, note 86.

²⁶⁶ Articles 4, 7 and 8 of law 9,756. Article 7 provides that all banking institutions must place a minimum of 10% of their gross profits in their reserve funds, to a minimum of 50% of their capitalization. In addition, Banks and *Cajas Populares* must maintain with the central bank reserves to a minimum of 16% of their sight or 30 day deposits, and 8% of 60 day deposits; this reserve with the central bank may be in the form of gold, currency, government bonds, or cash. Banking Houses must maintain with the central bank cash or government bonds to a value of 10% of their capitalization.

Article 8 of the law provides that Banks and *Cajas Populares* may accept deposits to a limit of 5 times their capital and reserves, if the 16% and 8% figures are maintained with the central bank. If these percentages are doubled, the banking institution is considered to possess "special liquidity", and may accept up to eight times its capital and reserves.

²⁶⁷ Under law 9,760, 20 January 1938 (1938 *Registro*, 54-55), the Banco de la República's capital was raised to 60 million pesos; originally it had been 5 millions. Law 12,491, 8 January 1958 (1958 *Registro*, 23-25), raised its capitalization to 200 million pesos; this was to be derived from its then current 70 million peso capital funds, 30 million from its reserves, and 100 million to be built up through the devotion of 80% of its net profits to the purpose.

²⁶⁸ The use of the Montevideo Clearing House is quite small, and the average size of the checks indicates the nature of the typical use of such instruments:

year	number of checks	amount of face 1000 pesos	average value
1920	99,717	830,300	8,300
1930	257,886	853,285	3,307
1940	537,660	1,499,451	2,790
1945	909,074	2,804,314	3,084
1955	2,619,051	9,481,204	3,620
1957	3,290,586	13,776,058	4,186
1959	4,393,313	24,370,030	5,547
1960	4,900,000	33,772,000	6,890

The Clearing House was authorized by a law dated 24 March 1919. *Vigente*, 333-335.

²⁶⁹ The basic law regarding rediscounts is #9,496, 13 August 1935, (1935 *Registro*, 508-524).

²⁷⁰ *Monthly letter*, July 19, 1957; and interviews with private bankers. *Foreign Commerce Weekly*, February 27, 1961.

²⁷¹ Tightened rediscount policies have the effect of denying credit to borrowers. Most wool exporters had bought large stocks of baled wool. Their notes, backed by the wool which they held, were the bases for rediscounts by the private banks; when rediscount policy was tightened, and commercial paper based on wool was declared ineligible if it had been held more than a certain time, the private banks were forced to call the loans. Wool holders therefore were to be forced to sell, regardless of the condition of the market, unless they could borrow privately. The additional foreign exchange income for the country would bolster the open market rate. See *supra*, 382, note 258.

Prior deposits on imports tend to discourage them, since the importer must deposit with the central bank, without interest, an amount based on the value of the article proposed to be imported. Normal commercial credit rates in Montevideo average about 20% or more.

²⁷² *Monthly letter*, March 19, 1959, reported that the three major Funds associated with the Pensions Institute are required to place 80% of their reserves in government bonds or bonds of the Mortgage Bank. The law which established the Caja de Jubilaciones for employees of public services and utilities in 1919 (1919 *Registro*, 293-302), required in article 13 that the reserves of the Fund would be invested in government bonds or in securities which have the guarantee of the State, "so as to produce maximum interest and return". Héctor Cerruti, "La defensa de Las Cajas de Jubilaciones", *op. cit.*, estimated in September, 1959, that the Industrial and Commercial Fund held over 700 million in government bonds, the Civil Service and Teachers' Fund held over 200 million. The average return on bonds of the Mortgage Bank in the period 1955-1958 was 6.25%; on government bonds it ranged from 5.75% to 7.25%, depending on the issue. Bolsa de Valores, *Panorama del Mercado Bursatil*, 1958 (Montevideo, 1959), 5-28.

²⁷³ *El Debate*, March 27, 1960, reported an interview with Dr. Lorenzo Carnelli, described as the "author of jubilaciones". He observed, "It seems impossible, but the truth is . . . there is no way, even judicial, to force the violators to comply with their legal obligations. The fact is that the documents pile up in the courts . . ." Cerruti, "El problema de las Cajas de Jubilaciones", *op. cit.*, quotes then-Treasury Minister Armando Malet in parliamentary debate regarding these withholdings, ". . . on this point we can say, . . . one billion pesos have been embezzled and we do not exaggerate . . ."

Businesses which withhold these moneys from the Funds must pay 7% interest on them; this is of course what the Funds would receive on government bonds, but it is a far cry from the 20% or more which the businesses would pay on loans negotiated in the market. Periodically a law is enacted which absolves the delinquent of criminal liability if payment is made, or arrangements for payment in installments

are made. Law 11,455, 5 July 1950 (*1950 Registro*, 649), permitted newspapers of the Interior which were in arrears to pay up without interest payments; some were in arrears as much as 20 years at the time. Law 12,367, 8 January 1957 (*1957 Registro*, 71), offered another alternative method of reconciling this obviously illegal action; importers were denied the right to import goods in the future unless they paid up their arrears to the Funds. If they did so, however, there would be no prosecution. The provision also included any debts they might owe to the Internal Revenue Office, or to the Surplus Capital Gains Office. If the company were unable to pay all these debts off, it would suffice if the manager of the firm negotiated a contract for installment payments with the government, as evidence of good faith.

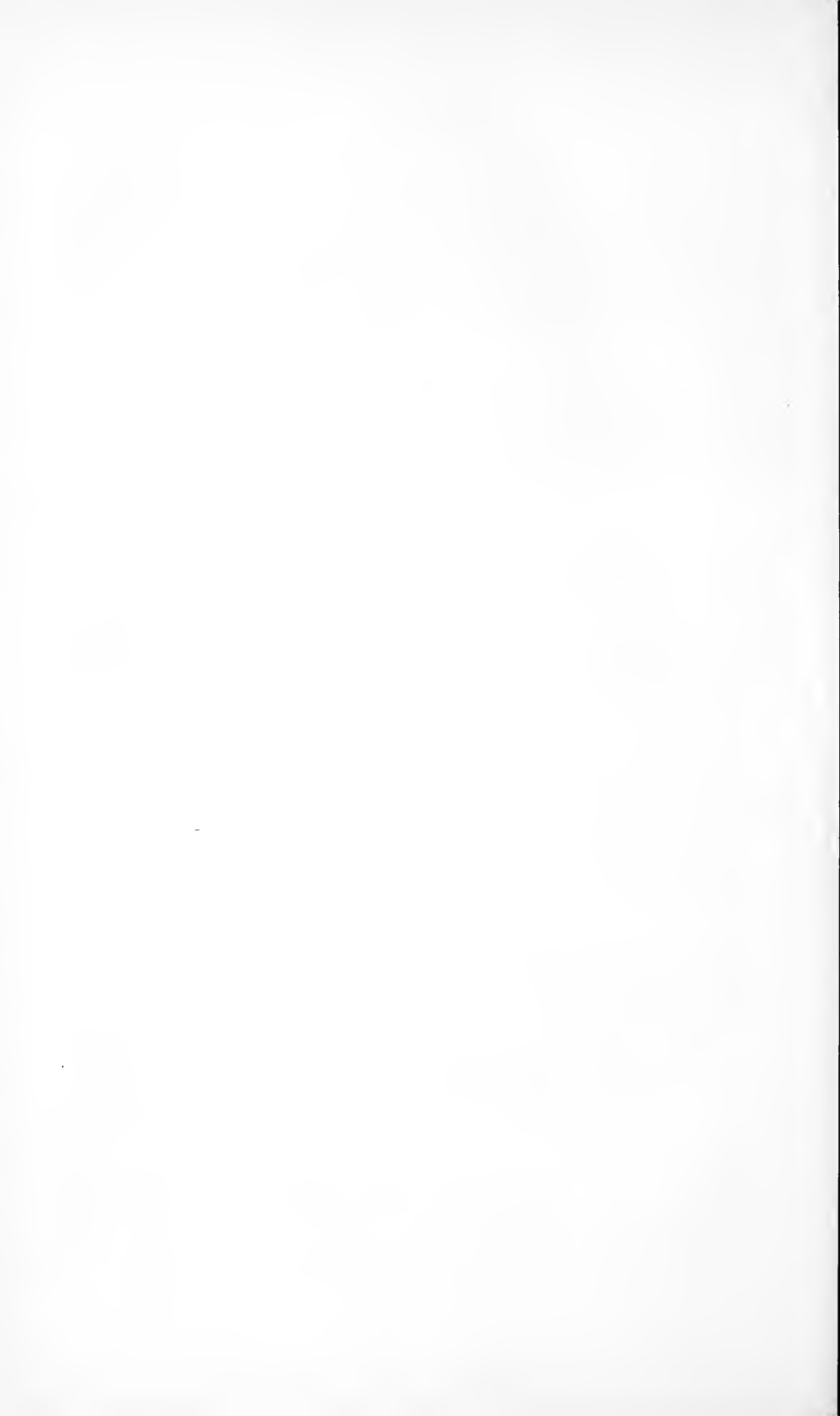
El País estimated in its issue of March 27, 1960, that the Rural and Domestic Workers' Fund was then short in its accounts by 500 million pesos. This Fund, of course, is the one which most frequently runs serious deficits which must be made up by the central government.

²⁷⁴ Withholding from salaries is scaled upward in percentages of the gross salary payment. Thus salaries up to 150 pesos monthly pay only 8% to the retirement Funds. The tax is 9% on salaries from 150 to 300 pesos; 10% to 600 pesos; 11% to 900 pesos; 12% to 1,200 pesos; and 13% above 1,200 pesos. Law 12,380, 12 February 1957 (*1957 Registro*, 252-262), article 5.

²⁷⁵ *Boletín del Banco Hipotecario del Uruguay*, #83 (Enero-Febrero-Marzo, 1959), 3-4. On March 31, 1959, the Bank had 448,856,025 pesos of bonds outstanding. Savings account holders are issued bonds commensurate with their deposits. These bonds pay a guaranteed 6% interest rate, while savings accounts in private banks pay only 3%; they are also free of inheritance taxes.

²⁷⁶ A decree of December 29, 1960, lowered retentions on all exports. The rate on wool became 25%, the minimum permitted under the Monetary Reform law, or 30 pesos per 10-kilo unit of unwashed wool. Other retentions were lowered similarly. *Foreign Commerce Weekly*, February 13, 1961; *Fortnightly Review*, January 28 and February 25, 1961.

²⁷⁷ Cámara Nacional de Comercio, *op. cit.*, 54.



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Part I of this listing includes only documents published by governments or international organizations. Part II contains all materials published by private organizations or by University presses, in a single alphabetical listing; thus materials in both English and Spanish will be found here, as well as both books and articles.

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 - New Orleans Times Picayune
 - New York Times
 - Wall Street Journal, New York.

APPENDICES

PE a

	1900 Census			1908c	1944e	Den- sity/km²
	Total	Native	Foreign			
men	316,283			309,231 (215,102n)	850,000	
idic	45,185	36,289	8,896	54,644	132,554	22.9
ado	24,048	22,706	1,342	28,820	68,070	16.3
	26,727	24,630	2,097	34,119	84,206	7.5
a	32,595	30,111	2,484	51,222	117,328	9.3
as)	34,628	30,053	4,575	39,565	95,527	10.1
gro	18,574	14,958	3,616	19,932	48,814	5.6
é	37,279	31,067	6,212	46,324	98,627	14.0
	14,431	13,193	1,238	16,082	36,766	8.0
	39,985	36,349	3,636	45,406	107,872	8.8
o	34,133	31,555	2,578	42,325	97,140	6.7
arg	33,039	27,678	5,361	44,742	99,123	6.5
y T	22,757	20,956	1,801	28,777	70,343	7.2
emt	34,424	30,210	4,214	46,939	110,986	5.0
	22,509	16,816	5,693	35,683	77,407	7.7
nes	76,984	64,390	12,594	87,874	202,872	42.2
dú	38,543	30,052	8,491	38,421	80,258	6.4
	40,589	31,340	9,249	46,259	102,987	8.0
	23,334	17,212	6,122	26,321	57,854	5.0
S	915,647§	509,165	90,199	1,042,686 (861,464n)	2,538,734	11.8
afte	§Total, including Montevideo.			Italian-62,357		
ón-	Other figures exclude Monte-			Spanish-54,885		
dis	video.			Brazilian-27,789		

Communist

4,838 ②

3,775

3,791

3,911 ①

2,291

6,235 ②

Senate, and Deputies, respectively.

y national election votes are reported in this table.

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APPENDIX A

POPULATION OF URUGUAY 1778 TO 1944^a

Department	Date ¹	1778c	1805e	1819e	1829c	1829e Constl. Conv.	1835c	1852c	1860c	1880 Census			1895c	1900 Census			1908c	1944e	Den- sity/km ²
										Total Pop.	Native	Foreign		Total	Native	Foreign			
Montevideo	1830	4,270	9,359	7,116	16,262	14,000	23,029	33,994	57,913	111,500	66,500	4,500		316,283			309,231 (215,102n) 54,644	850,000	
Colonia	1830					7,000		7,921	13,349	27,051	17,800	9,251	36,994 (30,623n)	45,185	36,289	8,896		132,554	22.9
Maldonado	1830					11,000	16,166	9,731	20,000e	26,036	21,942	4,112		24,048	22,706	1,342	28,820	68,070	16.3
Rocha	1880									26,727	24,630	2,097		34,119			34,119	84,206	7.5
Lavalleja (Minas)	1837							8,089	12,857	20,991	18,368	2,623	23,460 (21,223n)	32,595	30,111	2,484	51,222	117,328	9.3
Soriano	1830					7,000	7,078	9,031	14,138	20,216	13,543	6,673	32,584 (27,532n)	34,628	30,053	4,575	39,565	95,527	10.1
Río Negro	1880													18,574	14,958	3,616	19,932	48,814	5.6
San José	1830					7,000	8,836	13,114	12,527	27,776	20,542	7,234	30,072 (28,973n)	37,279	31,067	6,212	46,324	98,627	14.0
Flores	1885												14,480 (13,037n)	14,431	13,193	1,238	16,082	36,766	8.0
Florida	1856								12,170	20,888	18,019	2,869	33,895 (30,454n)	39,985	36,349	3,636	45,406	107,872	8.8
Durazno	1830					5,000	3,450	5,591	8,973	16,000	11,360	4,640	27,154 (24,154n)	34,133	31,555	2,578	42,325	97,140	6.7
Cerro Largo	1830					5,000		6,451	17,475					33,039	27,678	5,361	44,742	99,123	6.5
Treinta y Tres	1884												21,330 (19,460n)	22,757	20,956	1,801	28,777	70,343	7.2
Tacuarembó	1837							6,567	9,593	31,055	20,569	10,486	26,525	34,424	30,210	4,214	46,939	110,986	5.0
Rivera	1884												5,789 (2,534n)	22,509	16,816	5,693	35,683	77,407	7.7
Canelones	1830					11,000	8,080	17,817	20,468	52,331	37,155	15,176	64,575	76,984	64,390	12,594	87,874	202,872	42.2
Paysandú	1830					7,000		6,241	14,201	33,985	20,212	13,773		38,543	30,052	8,491	33,421	80,258	6.4
Salto	1837							7,364	15,821	24,475	16,815	7,660		40,589	31,340	9,249	46,259	102,987	8.0
Artigas	1884													23,334	17,212	6,122	26,321	57,854	5.0
TOTALS		1796e 30,685				74,000	128,371	131,969 *	307,480†	438,245	298,023	140,222†		915,647§	509,165	90,199	1,042,686 (861,464n)	2,538,734	11.8
^a Data after 1860 by Dirección-General de Estadística	¹ Year organized ^e Estimate		^c Census ⁿ Native	^f Foreign				*103,383n 28,586f	†209,480n 98,000f	‡Spanish 39,780 Italian 36,303 Brazilian 20,178	Argentine 15,146 French 14,375 Others 14,440	Report by Jefes Políticos	§Total, including Montevideo. Other figures exclude Montevideo.				Italian-62,357 Spanish-54,885 Brazilian-27,789		

NOTES TO ELECTIONS STATISTICS CHART

Source: Uruguay, Electoral Court, *Elecciones Uruguayas*, vols., 1-5.

NCA: National Council for Administration, the executive council under the 1917 constitution.

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Within the divisions of the table for each election, read horizontally for each office contested, as indicated at left in "Offices" column. Only national election votes are reported in this table.

Where names are italicized, winners of elections are indicated.

Numbers in circles indicate total number of seats won at the appropriate office level by the entire party.

ELECTIONS, 1925-1958. OFFICES, VOTES CAST, AND AWARD OF OFFICES BY PARTIES

COLORADOS										BLANCOS		Independent Blancos (1912-1954)							
Date	Office	Eligible to Vote	Total Votes Cast	Total All Sublema	BATLLISTAS	RIVERISTAS-acting as a sublema except where noted	REMARKS	Other lists or parties which broke off from Colorados	Partido Colorado Radical	Total all Sublema	HERREERISTAS			Other Blanco lists of Parties	SENATE electoral colleges used to 1930. Each Dept. college had 15 members.	Union Civica	Socialist	Communist	
1925 8 Feb	NCA Senate	301,965	211,910	115,518	35,496 "Contra el servicio obligatorio," etc. 3 lists, Terra heads all	16,133 1 list	SENATE: Riverista sublema in Flores, Tacuarembó, Rocha, Rivera, Treinta y Tres, P. Colorado Radical won, Rocha (2), Rivera (2)	3,856 2 regional sublema Soriano-Tacuarembó Durazno	7,137	119,255	119,255 1 list-Herrera and Martín C. Martínez								
1925 29 Nov	Deputies	331,743	271,958 (3)	122,995	106,693 In Montevideo, 3 sublema, "Por los ideales Batllistas"; "Tradición y Batllismo"; "Batllismo"	16,302 3 sublema	16,302 3 sublema	3,180 2 regional parties Montevideo Durazno-Montevideo	8,436 (3)	122,530	122,530 in Montevideo 9 sublema			4,677 Partido Radical Blanco (3)	Lists use names or slogans, numbers not assigned	2,999 (3)	1,791 (3)	4,836 (3)	
1926 28 Nov	President Senators NCA	353,460	289,255	141,533	77,502 "Por los ideales Batllistas" Campaigning elected Same sublema in all Senate races	18,458 "Viva el riverismo"	Batllistas riveristas, Radicales in one Sublema, "Por el triunfo Colorado"	8,349 "Colombiano Batllistas"; 2 lists, 1 in each of 2 sublema, 37,076 without title	—	139,059	139,059			3,844 Partido Blanco	Senate colleges in Florida, Durazno (Blanco majority), Artigas, Salto, Cucheros, Soriano			3,776	
1928 25 Nov	NCA, Senate Deputies	392,947 First use of number list	292,705	143,280	Dellatorre, Bruno-Vicentini, Marín, 87,003 "Por los ideales Batllistas" in all Senate races except Lavalleja	Arts as party for Senate race in San José, Maldonado, Cerro Largo, Colonia	SENATE: In Lavalleja "Partido Accidentado Concentración Colorado" was 3 in electoral college, Party "Por la tradición Colorado" was 1 each in 3 Depts.	54,663 "Por el triunfo de la unión del P. Colorado" 309-San José Departmental sublema	—	141,055	141,055 <i>Immaculados</i> SENATE: In Montevideo, 5 sublema, 3 lists			3,175-Partido Blanco	Senate colleges: Blanco majority in Cerro Largo, Forquilha, Colonia, San José, Lavalleja; Colorado majority in Montevideo, Maldonado	954		3,791	
1930 30 Nov	President NCA, Senate Number list for Senate, letters for P.E.	308,169	318,760	105,227	136,832 "Por la Victoria" on 4 lists "Por la libertad y la justicia para todos" won 101,600 Terra, President, Pales and Berro, NCA	28,982 SENATE-nets no sublema in 5 Depts. Arts as party in 1 Dept.	SENATE: "Por los ideales Batllistas" in Sublema in all Depts but Rio Negro, PILES and NCA, lists J, M, S, T, V, assigned	SENATE: Party "Por la Tradición Colorado" in Flores, also appears as sublema in Tacuarembó	9,879 (3)	140,940	140,940 In Montevideo, 5 sublema, 3 lists			4,219-Partido Blanco (3)		2,743 (3)	2,631 (3)	3,911 (3)	
1931 29 Nov	Deputies	410,271	309,048	110,603	136,832 "Por la Victoria" on 4 lists "Por la libertad y la justicia para todos" won 101,600 Terra, President, Pales and Berro, NCA	28,982 SENATE-nets no sublema in 5 Depts. Arts as party in 1 Dept.	SENATE: "Por los ideales Batllistas" in Sublema in all Depts but Rio Negro, PILES and NCA, lists J, M, S, T, V, assigned	SENATE: Party "Por la Tradición Colorado" in Flores, also appears as sublema in Tacuarembó	9,879 (3)	140,940	140,940 In Montevideo, 5 sublema, 3 lists			4,219-Partido Blanco (3)	Senate College: Blanco majority in Flores, Rio Negro, Tacuarembó, Treinta y Tres. Colorado majority in Rocha, Colonia		2,201		
1932 27 Nov	NCA Senate Deputies	431,192	190,625	107,694	85,108 "Por la victoria del Batllismo"; Antonio Roca and José, Martínez Fructos	Abstain	Sublema "Por la tradición Colorado", 11,388 SENATE: "Por los ideales Batllistas" as a Sublema in 4 Depts.	SENATE-No separate parties	11,073 As Sublema for NCA	41,008				3,367-Partido Blanco (3)	(244-Party, "Agrupación Militar Patria y Ejercito"	7,401 (3)	5,830 (3)	8,235 (3)	
1933 26 June	Constitutional Convention	428,507	210,886 (2)	80,563	Montevideo-3 sublema and 3 lists	24,098 as a Party	Montevideo-7 Colorado sublema, all for Terra	13,713-Party "Por la Tradición Colorado" (3) 302-Party Comisión Nacional de Unificación del P. Colorado (3)	11,505 (3)	101,419									
1931 10 April	Senate Deputies (Italy) Const	122,345	221,203 232,265 Const	123,016 106,330 (2)	Durazno-Montevideo, 2 sublema "Por los ideales Batllistas" and "Por la Victoria"	21,833 no sublema for Senate (3) 20,938 as party for Deputies (3)	Senate: "Por la Victoria" (Terra) 104,096 (3)	13,713-Party "Por la Tradición Colorado" (3) 302-Party Comisión Nacional de Unificación del P. Colorado (3)	11,505 (3)	101,419				1,296-Partido Saravista (3)		6,578 (3)	5,410 (3)	3,037 (3) 3,634 (3)	
1938 27 March	All	638,121	PE 357,205 Sen 381,924 Dept 375,771	240,311 219,375 (2) 219,362 (2)	07,908 Eduardo Blanco Acevedo, Candidate	121,250 Gen. Alfredo Baldomir, Sublema "Para Servir al País" (the only 2 sublema-3 lists including "33" and "88")	15,969 Laguardia candidate 170,563 (3) sublema "Para servir al país" 4 seats Monte-3 lists including "33" and "88"	15,969 Laguardia candidate 170,563 (3) sublema "Para servir al país" 4 seats Monte-3 lists including "33" and "88"	114,506 114,571 114,564				6,842-Partido Saravista (3)			14,802 (3)	13,175 (3) 13,152 (3)	16,901 (3) 15,475 (3) 13,152 (3)	
1912 29 Nov	All (also rural Const)	858,713	PE 514,703 Sen 574,723 Dept 512,700 Const 574,527	328,599 328,599 (2) 328,599 (2) 328,599 (2)	234,127 <i>Unión Progresista</i> 24,707 "Labor y Justicia" 328,599 (2) 328,599 (2)	74,763 Blanco Acevedo, cand. 74,767 "Labor y Justicia" 328,599 (2) 328,599 (2)	15,969 Laguardia candidate 170,563 (3) sublema "Para servir al país" 4 seats Monte-3 lists including "33" and "88"	15,969 Laguardia candidate 170,563 (3) sublema "Para servir al país" 4 seats Monte-3 lists including "33" and "88"	114,506 114,571 114,564				1,800-Sublema Saravista (3)			Seco Y (3)	Frugoni (3)	Gómez (3)	
1919 24 Nov	All	940,912	PE 649,406 Sen 670,011 Dept 670,229	318,481 240,293 (2) 240,293 (2)	68,715 <i>Heredia-Luis Batlle</i> 18,717 7 total	83,534 Schiaffino 240,293 (2) 240,293 (2)	40,275 sublema "Para servir al país" 4 seats 10 seats, including "33" and "88"	40,275 sublema "Para servir al país" 4 seats 10 seats, including "33" and "88"	102,714 202,714						5,081-Partido Demócrata (3) 5,081-Partido Demócrata (3)		Seco Y (3)	—	Cerrutti (3)
1904 30 Nov	All	1,165,201	PE 825,220 Sen 825,228 Dept 825,863	433,454 330,626 (2) 330,626 (2)	160,030 Mayo Liguierres César 160,030 (2) 160,030 (2)	120,949 Blanco Acevedo abstain	161,262-Martinez Fructos-Alfo Brum 120,949 sublema "Para Servir al País" 5 seats 14,900 sublema "Para Servir al País" no seats	161,262-Martinez Fructos-Alfo Brum 120,949 sublema "Para Servir al País" 5 seats 14,900 sublema "Para Servir al País" no seats	254,834 254,834 (2) 254,788 (2)							35,147 (3)	15,731 (3)	32,077 (3)	
1954 29 Nov	All	1,295,502	879,242	411,129 (2)	180,161-Lanza, Acevedo, Alvarez lat "Luisa Soler" 145,586-6 seats "11" = 15 seats; "18" = 33 seats	254,788-Lanza, Acevedo, Alvarez lat "Luisa Soler" 145,586-6 seats "11" = 15 seats; "18" = 33 seats	254,788-Lanza, Acevedo, Alvarez lat "Luisa Soler" 145,586-6 seats "11" = 15 seats; "18" = 33 seats	254,788-Lanza, Acevedo, Alvarez lat "Luisa Soler" 145,586-6 seats "11" = 15 seats; "18" = 33 seats	254,788 (2) 254,788 (2)										
1958 30 Nov	All	1,410,105	1,005,362	379,002 (2)	151,110 <i>César Batlle-Luis Braso</i> Braso lat=3 seats, Lanza lat 2 "14" = 12 seats	215,881-Rodríguez Correa-Arriaga Torres Luis Batlle lat=7 seats "15" = 26 seats	215,881-Rodríguez Correa-Arriaga Torres Luis Batlle lat=7 seats "15" = 26 seats	215,881-Rodríguez Correa-Arriaga Torres Luis Batlle lat=7 seats "15" = 26 seats	409,125 409,125 (2) 409,125 (2)										

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Source: Uruguay, Electoral Court, *Elecciones Uruguayas*, vols. 1-5.

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Within the divisions of the table for each election, read horizontally for each office contested, as indicated at left in "Offices" column. Only national election votes are reported in this table.

Where names are italicized, winners of elections are indicated.

Numbers in circles indicate total number of seats won at the appropriate office level by the entire party.

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